

University of South Wales



2060308

MARKETING MANAGEMENT: APPLYING THE CONCEPT OF THE MIX.

VOL. 1.

Claudio Vignali

PhD by Publication

The University of Glamorgan

**VOL.1. RATIONALE & BRIDGING WORK
VOL.2. PUBLISHED ARTICLES AND CASES**

PhD

2002

MARKETING MANAGEMENT: APPLYING THE CONCEPT OF THE MIX.

VOL. 1.

Claudio Vignali

PhD by Publication

A thesis submitted to the University of Glamorgan in partial fulfilment of the requirements for the award of Doctor of Philosophy.

Declaration

No portion of the work referred to in this thesis has been submitted in support of an application for another award.



Dec 2002

CONTENTS

CONTENTS	I
LIST OF FIGURES	III
APPENDICES	IV
ACKNOWLEDGEMENTS	V
DISCLAIMER	VI
ABSTRACT.....	VII
1.INTRODUCTION	1
1.1. PREAMBLE AND STRUCTURE OF THE THESIS.....	1
1.2. FORMULATION OF RESEARCH PROPOSITIONS	3
1.3. ACTION RESEARCH AND LEARNING	5
1.4. CONTRIBUTION TO KNOWLEDGE.....	6
2. BACKGROUND TO THE THESIS.....	8
2.1 BACKGROUND	8
2.2 INTRODUCING MY APPROACH TO SCHOLARSHIP	10
2.3 STRUCTURE OF THE THESIS	11
3. LITERATURE REVIEW ON HEURISTIC DEVICES.....	13
3.1 STRATEGIC MARKETING MANAGEMENT AND PLANNING.....	13
3.2 THE USE OF HEURISTIC DEVICES AND CRITICISM OF MARKETING THEORY	15
3.3 THE PUBLISHED WORKS	22
3.4 STRATEGY AND TACTICS	23
4. LITERATURE OF ACTION RESEARCH.....	25
4.1 HISTORY OF ACTION RESEARCH	25
4.2 DEFINITIONS AND PROCESS OF ACTION RESEARCH.....	26
4.3 EPISTEMELOGICAL ISSUES	33
4.4 THE GENERATION OF KNOWLEDGE IN ACTION RESEARCH	42
4.5 CRITICISM	51
5. RESEARCH APPROACH	55
5.1 DATA IN THE CASES STUDIES.....	55
5.2 CASE STUDY METHOD.....	56
5.3 LIMITATIONS OF THE RESEARCH METHOD	58

6. ANALASYS OF CASES.....	59
6.1 INTRODUCTION	59
6.2 BODDINGTONS.....	59
6.3 DANCALL TELECOM.....	62
6.4 BASS PLC	65
6.5 DAIRY CREST	68
6.6 RUSSIA	71
6.7 HÄAGEN DASZ	73
6.8 SUMMARY	76
7. CONTRIBUTION TO KNOWLEDGE.....	79
7.1 EXAMINING THE RESEARCH PROPOSITIONS	79
7.2 DEVELOPMENT OF A REVISED MODEL.....	81
7.4 FINAL CONCLUSIONS AND OUTLOOK.....	88
7.5.FUTURE RESEARCH AGENDAE	89
8. REFERENCES	

LIST OF FIGURES

FIGURE 1: RESEARCH PROPOSITIONS	4
FIGURE 2: A MODEL OF EMANCIPATORY ACTION RESEARCH.....	30
FIGURE 3: DIFERENCES BETWEEN POSITIVISM AND PHENOMENOLOGY	39
FIGURE 4: PROCESS OF KNOWLEDGE CREATION IN POSITIVISM AND ACTION RESEARCH.....	44
FIGURE 5: MAP OF ACTION RESEARCH	49
FIGURE 6: RESEARCH QUESTONS	57
FIGURE 7: EVALUATION OF PROPOSITIONS.....	79
FIGURE 8: PROCESS OF THE HEURISTIC ACTION MODEL.....	83

APPENDICES

- A. LIST OF PUBLISHED WORKS
- B. FIRST SHEET OF JOURNALS
- C. STATEMENTS OF CONTRIBUTION IN WORK OF SHARED OWNERSHIP
- D. ANALYSIS OF CASES STUDIES IN RELATION TO PROPOSITIONS

ACKNOWLEDGEMENTS

I would like to thank my Director of Studies Professor Tony Gear for his continual support and guidance, my supervisor Professor Barry Davies for his anecdotal criticism, guidance and objective analysis.

I would like to indicate my sincere thanks to my wife for her cutting edge approach to my 24/7 activities in completing this thesis, Professor Leo Dana (Nanyang University), Professor G.Cuomo (La Sapienza Universita di Roma), and Professor Vranesivic (University of Zagreb) and Dr. D. Vrontis on their contribution to the use of the Mix Mapping approach. Their understanding and usage of the concept in their Research and Teaching adds greatly to the contribution to knowledge.

DISCLAIMER

No portion of the work presented in this thesis has been submitted in support of an application for another degree or qualification of this or any other university.

6 Dyke 26.03.03

ABSTRACT

One of the key concepts within the marketing literature remains the ‘marketing mix.’ An unexamined element of this mix remains, to pursue the cooking metaphor, the way in which the chef is able to balance the various ingredients to achieve a palatable dish. Therefore, the impetus behind this thesis is this lack in the literature. The approach to remedy this lack is developed through Action Research. The original notion of the marketer as a mixer of ingredients strongly suggests that marketing was (and remains) largely a craft. As practitioners within the craft, managers require devices to guide them in their everyday operations. However, the use and effectiveness of such ‘heuristic devices’ by practising marketers remains little explored. Matrix schemas have always been traditionally used, by both academics and practitioners, in the development and interpretation of both *strategy* and tactics in marketing. While the strategic schemas have attained the status of dogma (the Boston Box, for example), at the tactical level, use of the marketing mix has never reached such heights, (apart from an occasional stress on the need for the ‘blending of ingredients’).

As marketing has developed as a craft, numerous definitions have been offered. Today there are several different authoritative, but accepted definitions. The Chartered Institute of Marketing [CIM] and the American Marketing Association [AMA] define marketing as:

‘Marketing [management] is the process of planning and executing the conception of pricing, promotion, and distribution of ideas, goods and services that satisfy

organisational objectives.’ [Fifield & Gilligan, 1996; 2] A clear understanding of the development of the matrix approach from the level of strategy to *tactics* in marketing is the essence of the published works.

The marketing mix concept seems relatively simple. Since Culliton [1947] first carried out his study (amongst the major American companies of his time), the notion of managers within the marketing function as ‘mixers of ingredients’ has enjoyed wide currency. Culliton’s study included a full examination of a number of case histories and the use by the participating companies of marketing ingredients. Borden [1964] expanded this work to a formal use of the term ‘marketing mix’ and he presented a list of mix constituents, based on Culliton’s work. These developments were taken further by McCarthy [1964] in terms of simplification and classificatory order as the famous 4Ps. It is now just over 30 years since McCarthy provided this gloss on Borden’s work and offered a generic marketing mix [product, price, promotion and place] as a means of translating marketing planning and tactics into practice [Bennett 1997:151]

This eventually led to Kotler [2000] defining the mix as being ‘A set of marketing tools that a firm uses to pursue its objectives.’ Thus, ingredients become tools and the analogy changes.

McCarthy’s 4Ps classification of the marketing mix variables has received acceptance in past decades.

However, in recent years increasing criticism of this approach has been voiced in academic circles (Van Waterschoot, 1992, p.83). It is believed by some academics that this paradigm is beginning to lose its position (Gronroos, 1994, Gronroos, 1992, Sheth 1988). It is sometimes called 'traditional' or out-dated (Shimpock-Viewg, /1993, Lane, /1988, Turnbull, 1987). Over the past few years, it has been argued that marketing is concerned not just with the original 4Ps and the various elements associated with them, but also with less controllable variables (or ingredients, or tools) such as people, processes and service evidence. (Rafiq, 1995). However, the shifts from 'ingredients' to 'tools' to 'variables' hints at an underlying confusion as to the conceptual status of the artefacts described.

Borden's work has the merit that his classificatory schema derives directly from empirical evidence. Borden reflected this basis when he identified the need to record within case studies evidence of what was being *mixed* in the marketing domain. Later extensions do not, by and large, have this merit. There have been no published studies which replicate Culliton's original work. *Extensions* to the mix (the conceptual device contributed by Borden) and the distilled formulation of the mix offered by McCarthy rely on conceptual processes only. The nature of the extensions seems clear, but they rest on different assumptions about how the world of the marketing manager should be construed. This thesis draws on several case studies of the world of marketing managers and a test of the 4P's framework within that world as its *modus operandi*. The examination uses a process of 'Action Research'. It thus is placed in the tradition established by Culliton in his pioneering work. Unlike Culliton, the work does not flow from a considered execution of a single research design, but has emerged in the search for consistency in marketing management, as pursued with the managers

themselves. In essence, the Action Learning method of research has been adopted. The outcome, a new model for application, is seen as the contribution to knowledge. In essence the thesis pulls together the understanding and criticisms that both practitioners and academics need to investigate the gaps that exist in marketing management research. The importance of a company's participation as being integral to the action it takes and the solutions it prescribes is the essence of the Action Research and the model process.

CHAPTER

1

INTRODUCTION

1.1 PREAMBLE AND STRUCTURE OF THE THESIS

The Thesis expands on the use of the case study method developed by Yin (1994). The contribution to knowledge is however not the published cases, but the process of Action Research expanded by the practitioners in the presented cases in volume II. The Thesis explores the differences between the positivistic and phenomenology approach to research and the deductive versus the inductive approach to both quantitative and qualitative research. The Popperian viewpoint is explained but not developed or confirmed. The Thesis touches on the works of Kuhn, Mintzberg and Rappaport as an introduction to the Meta-theoretical background in the literature review. However, it is important to note that a future research agenda developed from this Thesis could be the basis of a PhD in its own right.

A traditional PhD style would require hypotheses or propositions to be presented after the literature review. This Thesis begins with the propositions that were developed from the literature review, but they are presented at the beginning as a way to identify the subsequent areas of contribution to knowledge. The literature review is divided into two areas - heuristic models and action research – in order to identify the areas of contribution to knowledge. Throughout the Thesis it is apparent that the contribution to knowledge is ongoing through the process that practitioners develop whilst carrying out their “action” research. The methodology and analysis that follows

were conducted in a “Action Research” style. Analysis was done at a distance and the contribution to knowledge is made evident in the reflective steps carried out by the practitioners.

The final chapter brings together all of the publications into the development of a revised model, which serves to suggest a future research agenda.

In working with managers from a range of companies, it became clear that, while the notion of the marketing mix was intuitively acceptable to them, they had few if any mechanisms for considering systematically the elements of the mix. In response to an occasionally expressed need for a device or framework to overcome this difficulty, the MixMap model was developed (Published work no.3 in Vol.2).

The view was that such a framework provided a useful 'heuristic device' of considerable explanatory power. The focus of this thesis is the attempt to demonstrate, through a series of case-based applications, that the model does provide a tool useful to managers. Further, that it is able to do this because it represents a distillation from practice, in the manner of Culliton's [1947] original description of marketers as 'mixers of ingredients.' The thesis can thus be seen as an attempt to provide a repertoire for the cuisine of marketing in practice. In reality the importance of Action Research is the foundation stone for the eventual use in practice of heuristic devices (as developed by the analysis in appendix D). Thus, engagement with the reality of the work of marketing managers is the means by which the appropriateness of such heuristic devices can be tested. The use of an action research/action learning methodology is often a particular, useful, foundation on which to rest such testing.

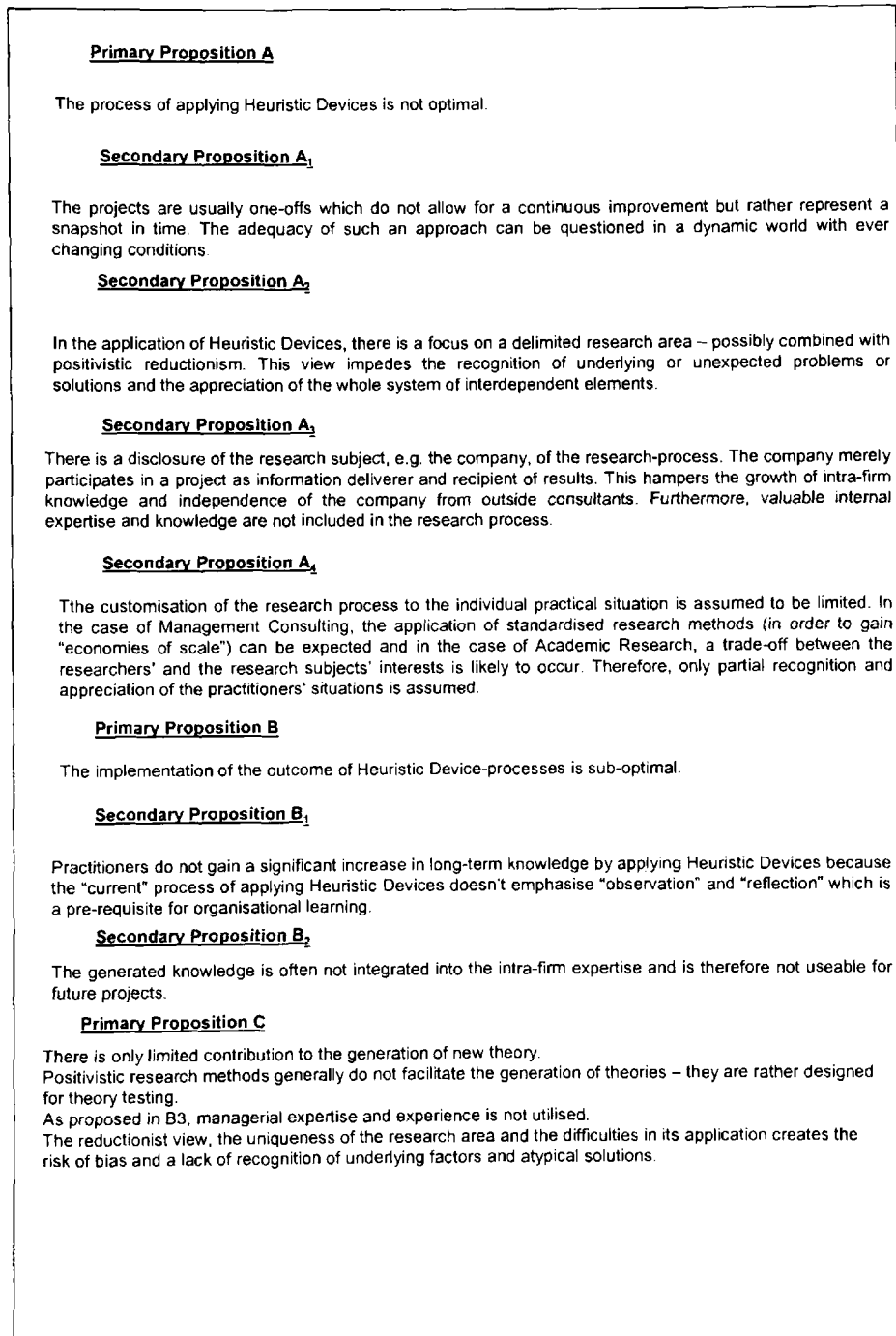
1.2. FORMULATION OF RESEARCH PROPOSITIONS

As outlined above, the complementarity of Action Research and Heuristic Marketing Devices lies as the centre of interest in this thesis. The basis for this work is the shortcomings in the application of Heuristic Marketing Devices. Knowledge of these weaknesses allows initially for the identification of areas for improvement. In a second step, aspects of the Action Research methodology are transferred into the existing Heuristic Devices approach.

Three propositions are introduced which arose initially from a review of contemporary literature about Heuristic Marketing Devices. The evaluation of the propositions is a fundamental part of this thesis and the results form the basis on which a new, revised model is developed.

As may be envisaged, the propositions developed further during the investigatory phase: they did not exist a priori. Engagement with managers and their work, articles 1 and 2 in Vol, 2, led to specific formulations, which are presented here to provide a more 'linear' structure to the thesis. Empirical support could perhaps be obtained through survey work amongst marketing managers - but such work is not within the tradition in which this thesis is being presented. The work presented here is in the Action research tradition and is inductive in nature.

FIGURE 1: RESEARCH PROPOSITIONS



1.3. ACTION RESEARCH AND LEARNING

In 1993 the government in the UK commissioned a report into the aspects of Management Research, called the Bain Report. The report analysed and critically reflected on the then current issues in managerial practices. The report stated (1993 page 7).

“All management research should ultimately aim to improve the understanding and practice of management”

The Bain Commission also indicated that academics should communicate their research to practitioners in a language and style that was accessible and easy to follow. It goes without saying that management research will only have a meaning if it enables managers to carry out their tasks more effectively.

There has therefore always been a long-standing discussion between the appropriate positions from which methodology derives. Some academics support a Phenomenological approach – the social construction of meaning through activities and a subjective consideration of those activities; others support in Positivism – a measurement of ‘objective’ views. Action research is based in the former view with the need to develop human imagination within an environmental construction controlled by a contextual field of information, analysed with a concrete structure and process. This section will be further discussed in the relevant literature review chapter.

Although Action Research does not fit completely into the Phenomenological approach, it starts from the premise that Research is based on change. Change itself is the link between the researcher and the organisation, where real problems are reviewed and the research process is the basis for development.

The interaction of elements of the problem and participants, which is labelled “Mix Mapping”, (Vignali & Davies, 1994) is a major element in the application of Heuristics devices. It takes into account the organisation’s attitudes and policies and attempts to model the complexity of organisational problems from the organisation’s perspective so that an eventual solution can be developed. The most important use of these techniques has been in creating strategy. If strategic planning is actually about thinking and the encouragement of actions and decisions, then any work should be ‘Client based’ and not process driven. The approach of Action Research lends itself suitably to the Grid-Mapping approach when the organisation’s development is the main focus of research.

1.4. CONTRIBUTION TO KNOWLEDGE

The publications in this thesis are a series of, articles that describe the Mix Mapping model and its implementation in practice. There then follow a series of refereed, published case histories. The effect of these action studies, is to provide a basis for a fuller understanding of the use made by managers of the heuristic devices and their assessment of the MixMap model tool. In combination, the field research and the reflection on it provide a platform for the more formal statement of a theory for the

treatment of the variables within the marketing mix at a tactical level, in a manner which is notably absent from the literature.

A fuller discussion on the contribution to knowledge can be found in the final Chapter7, but include

- The development of a model
- The understanding of how managers use heuristics
- The adaptation of the action learning process
- The interpretation of case study analysis

CHAPTER

1

BACKGROUND TO THE THESIS

2.1 BACKGROUND

A primary objective of any doctoral thesis must be to document a contribution to knowledge. A secondary objective must be to demonstrate that the experience of research and scholarship has provided an appropriate acquaintance with the discipline of research and research methodologies required for a Ph.D. This contribution to research, scholarship and knowledge in the area of the Marketing Mix extends over several years, in a field that has witnessed little change. The latitude of these changes at the level of the experience of the individual is encapsulated in the published works. The transition between the articles and cases has involved significant change in the nature of both the practice and conceptualisation of the Marketing Mix, particularly at the systems, organisational and environmental levels. The significant strides that have taken the developed world towards an advanced consumption society have only been achieved through substantial intellectual, technological and social investment. Any one individual can only be expected to make a modest and localised contribution to such developments. Indeed, against the backdrop of the wide-ranging impact of Marketing, such a contribution can easily appear depressingly insignificant. Identifying a post-hoc framework, which can be used to structure my contribution and relate it to developments in the discipline, presents a real challenge, particularly since no overarching framework has been developed for the Marketing Mix. As will be explored later, even the basic concept of marketing eludes a profitable definition.

Further, the status of marketing, as a loosely defined professional discipline with a range of ever changing stakeholders and techniques does not assist in an identification of the knowledge base to which a contribution is made. In general, however, the contribution has been motivated by an abiding fascination with all of the factors that affect the way in which access to the Marketing Mix is managed, so that an individual has easy access to the right information, at the right time and in the right place, for the use which the individual seeks the information.

The general thesis is that:

“Managers effectively using a Matrix Mix Mapping approach seem to be more effective than those who do not”.

The study demonstrates the complexities embedded in such an intuitively obvious statement, taking, as appropriate, both a longitudinal and current state perspective. At any one point in time, an individual user's experience of the Marketing Mix will be based on a mixture of different system generations. This thesis seeks to demonstrate how all of the factors in the Mix contribute to effective Marketing, and how their respective significance is shifting as we move towards an ever more sophisticated marketing society. Significant trends are identified in each of these areas over the past six years, the contribution, and issues that remain to be further researched or resolved in a practical sense. The factors at each level influence each other. Since the way in which individuals use the Mix collectively impacts of the achievement and developments of the organisations with which they are associated, and the society and environment in which they work, access to the knowledge impacts upon economic success, education and social interaction.

2.2. INTRODUCING MY APPROACH TO SCHOLARSHIP

Reflection on both practice and theoretical constructs, and the relationship between the two, guided by a desire to better understand theory and or professional practice underpins my approach to scholarship.

Such reflection is inextricably intertwined with my professional experience as a teacher, researcher, consultant, writer and manager. This reflection takes three distinct forms:

- *Reflection as an integral and continuing element of the research process*, which may lead to the formulation of new propositions or avenues for investigation, or the refinement of research avenues and the drawing together of previously disparate conceptual frameworks. This type of reflection runs through my work both within individual projects and also as I have moved from one project to the next.
- *Reflection provoked by the teaching experience*, in which exposure to a range of students with differing abilities and inclinations offers a rich environment for gathering a variety of perspectives on an issue and thereby to synthesis and evaluation of knowledge in a rapidly changing area. Often such reflection leads to the more effective exposition of ideas in a written form, such as a book. Additional research for a book subsequently informs teaching. On

other occasions, discussion, and subsequent reflection in a class context has led to the formulation of specific research projects.

- *Reflection, over a longer timescale*, such as is necessary for the creation of this thesis, which looks back over contributions and developments over a period of time and seeks to learn from previous experience and identify directions for further work. This later reflection is uncomfortable since it involves taking a retrospective look at earlier work, when, inherent in the nature of the first type of reflection is that reflection teaches the limitations of what went before, and dissatisfaction with what was achieved yesterday drives the scholar to develop his investigations or ideas further. Earlier ideas are then superseded and do not merit a backward glance. This final type of reflection then runs counter to the reflection that is a normal feature of the process of research and scholarship.

A considerable proportion of my research has led to publication in book and journal form - these articles have been widely accepted by the academic community. In addition, some of my early work, which did involve substantial questionnaire based surveys, was published in conference proceedings because this was the most appropriate avenue for dissemination to a professional audience. In general, my contribution to knowledge focuses on data collection, organization, explication and dissemination.

2.3 STRUCTURE OF THE THESIS

In essence, the thesis is a series of published case studies and articles. The emergent proposition pulls together these series of works and a final article on methodology

identifies the contribution to knowledge. The thesis is brought together by a bridging piece that not only acknowledges and summarises the total work but also introduces the reader to the essence of the Marketing Mix as heuristic devices and the Action Research process that is the backbone of the work. The methodology used in the form of case study work and the interactive/action research process used to expand on the literature review is identified. The work is further developed when the modelling approach used to expand the action research activity is explained. In conclusion a series of articles that in reality bring the process of theory and practice together is presented.

The final conclusions (in section 7.4) indicate the outcomes of the processes used in presenting the thesis. The works rest on a series of propositions, which were based on the research developed from Revans (1998), the literature review chapters and my reflection on these processes (presented in Vignali 2002). These proposition contributed to the development of the framework for the thesis, which is published in Vignali (2002).

The approach was based on the action research method and became the basis of the developed model, presented in section 7.2., whilst the table in appendix D, is a summary of the major elements of each case analysed.

CHAPTER

1

LITERATURE REVIEW ON HEURISTIC DEVICES

This chapter commences by briefly discussing strategic marketing management and planning. Next, Heuristic Marketing Devices and their role of supporting strategic decision-making will be assessed. Emphasis will be put on the limitations connected with marketing theory in general, and strategic planning and Heuristic Devices in particular. Emphasis is then placed on the nature of Action Research, as this is seen as a fairly 'new' topic in marketing. The following discussion only briefly reflects the existing literature on strategic planning and the use of Heuristic Devices; references to further literature are added throughout the text

3.1 STRATEGIC MARKETING MANAGEMENT AND PLANNING

Strategic management (this term will be used similarly to the term strategic marketing management, due to the increasing proximity of the concepts (see, for instance, Jüttner and Wehrli 1994, pp. 42). Baker (1990, pp. 22.) and Greenley (1989, p. 46), have presented a comparison of various authors' concepts of strategy and summarise several descriptions ranging from 'broad means of achieving given aims', 'fundamental means or schemes', 'crucial and central issues to the use of the marketing function', to 'the grand design to achieve objectives'.

Proctor and Kitchen give a rather broad definition, which is sufficient for in this context:

Strategic management is about steering an organisation so that it avoids the various threats that can exist in its environment while allowing it to take advantage of any opportunities that present themselves. (Proctor and Kitchen, 1990, p.4).

Decision-making is at the heart of strategic management. (Wilson 1997, p. 6) Detailed descriptions of the nature and different modes of strategic decisions are intensively discussed elsewhere. (See, for example, McDonald 1992, pp. 4.; McDonald, 1996, pp. 12 ff.; Wilson, 1997, pp. 18.) However, it is suggested, that a planned process of strategy definition is superior to an unplanned approach to strategy (Kotler 2000, p. 64).

As with marketing 'strategy', there is no universally accepted definition of strategic 'planning'? Mintzberg (1994b p. 6), for example, argues that the question "What is planning anyway? ... has never been properly answered - indeed, seldom seriously addressed - in planning's own literature" and discusses in detail different characterisations of planning. (Ibid, pp. 5ff.) In the same vein, drawing on studies made by Brownlie (1999), Baker (1990, pp. 39ff.) forwards seven different definitions of strategic marketing planning.

The paramount aim of strategic planning may be said to be the maximisation of success, in the form of increased and sustainable competitive advantage, (Easton 1988, p. 31; Proctor and Ruocco 1992, p. 50; McDonald 1992, p. 5;) by systemically analysing possible futures. (McDonald 1996, p. 8) However, it is unlikely that one single idea has long-standing impact on a firm's fortunes since ideas may be soon copied, and the competitive advantage eroded. (Proctor and Ruocco 1992, p. 50) This is important because the marketing environment in which the company manoeuvres is

becoming increasingly complex in terms of competition and fuzzy market boundaries (Proctor and Kitchen 1990, p. 4).

Kotler (2000 p. 64) states that strategic planning calls for action in three key areas. Firstly, managing a company's business as an investment portfolio. Secondly, assessing each business's strengths by considering the market's growth rate and company's position and fit in that market. Finally, developing a 'game plan' for achieving its long-run objectives: the strategy.

To address these areas, the process of strategic marketing planning follows the steps analysis, planning, decision making (or implementation) and control. These steps are expanded by several sub-steps by different authors (see, for example: McDonald 1996, p. 16, Wilson 1997, p. 308; Baker 1990, pp. 33.) In an attempt to allow for differences of size, scale, diversity, complexity, etc., between different firms, the concept of the Strategic Business Unit (SBU) is used frequently. (Baker 1990, p. 40)

3.2 THE USE OF HEURISTIC DEVICES AND CRITICISM OF MARKETING THEORY

Several models have been developed to support marketers in the steps mentioned above. These models are usually termed heuristic.

It is sometimes possible to conduct a sequence of comparisons, each suggested by the previous one and each likely containing a better alternative than given in any previous comparison. Such a solution-seeking procedure is called **heuristic**.

Van Waterschoot argues that:

As a model may be too complicated to allow for mathematical optimisation, an alternative approach may consist of using the model to simulate the decision situation. Specific alternative marketing mix 'values' are brought into the model, and a comparative study of the outcomes helps to select the 'best choice' of commercial instruments." ... "Sometimes these methods -called heuristics- possess their own decision rules to establish automatically a sequence of attempts to try out different solutions in a complex system and to come nearer to a reasonable choice relatively quickly, although this is not the mathematically optimal one. (2000, p. 201)

Heuristic Marketing Devices, therefore, are models, which can be used by the practitioner in order to generate 'solutions' to complex marketing problems. The results do not need to be mathematically optimal, the strength of these models lies in their applicability, and their ability to model complex dynamic situations.

Greenley (1989, p. 46) displays four major bases that are used in the literature to explain the detail of marketing strategy. These are the marketing mix, the product life cycle, market share and competition, and positioning. In addition, special strategies for both international and industrial markets are proposed.

Vignali, Schmidt and Davies (1994, p. 965) argue that the power of simple devices as managerial tools is well known. The authors highlight the example of the 4Ps, developed by McCarthy, and the Boston Consulting Group Matrix. In addition, McDonald highlights the Ansoff Matrix, Market Segmentation, Product Life Cycle Analysis, Portfolio Management, and "a host of techniques" revolving around the four basic elements of the marketing mix, the 4Ps (McDonald 1992, p. 9). Armstrong and

Brodie (1994), also identify the value of management techniques that are validated by empirical studies.

These models are widely explained and analysed in the existing literature (see, for example, McDonald and Brown 1994, pp. 85ff.; Kotler 2000, pp. 65ff.; Baker 1990, pp. 52ff.) Therefore, no deeper description of existing models will be offered.

Although criticised (see, for example, Hunt 1994, p. 18), it is generally argued that logical empiricism (and therefore positivism) is the dominant philosophical approach employed in marketing. (Deshpande 1983, p. 104; Arndt 1985, p. 11) Therefore, much criticism of **marketing theory** is related to its meta-theoretical nature. Deshpande (1983, p. 105), for instance, argues that the "...majority of marketing scholars are far more involved in theory verification than in theory generation". The author furthermore states that the methodologies that have been developed and tested in marketing research are more suited to confirming propositions or hypotheses rather than to facilitate the discovery of new propositions.

Marketing theory has also been criticised as being of little use for practitioners. There is a wide discussion about the "ivory tower" of academia (Byrne 1990, p. 50; Rapaport 1970, p. 506; Simon 1994, p. 1), which is concerned with the estrangement of theory from practice. As a consequence, Harris (1996, p. 35) argues "while marketing theorists develop ever more complicated planning models and techniques, managers find planning problematic and implementation almost impossible". Hill, McGowan and Maclaran (1998, p. 70) state that many non-academic voices, for example senior business people, consultants and journalists, are listened to in

preference to marketing academics. The theoretical underpinnings of marketing thoughts are, hence, coming under an increasing threat and often they are being perceived as lacking any relevance for the modern business world. Wensley (1988), also emphasises the importance between customers and competition, and how short term planning can be destructive.

In the same vein, O'Driscoll and Murray (1998, p. 391) emphasise the importance of the relationship between theory and practice in any academic discipline with a closely associated area of professional practice and argue that there is considerable asynchrony in marketing. The authors state that, in management, theory is less developed than practice in comparison to other disciplines. In addition, management theory itself is still rudimentary because it is a young discipline, being around 100 years younger than disciplines such as economics. O'Driscoll and Murray (1998, p. 397) and Hunt (1994, p. 14) argue that the conventional wisdom of the discipline as commonly understood by both practitioner and theorist was formalised by (and is now borrowed of) the work of McCarthy and Kotler in the 1960s and has changed only by elaboration since then. Hunt (1994 p. 14) states that it is seen that 'marketing's job' is to apply the theories of other disciplines to marketing phenomena –according to the 'applied science' notion.

This results in a lack of new theory, which reflects newer developments and an increasingly dynamic, volatile and aggressive environment. Therefore, practitioners are unable to rely on the academic developments of marketing in order to facilitate their strategic and tactical decision-making.

Adding to the lack of usefulness of marketing theory for practitioners is that much of the existing literature is of a distinctly prescriptive nature, focusing more on what firms should do rather than what they actually do. (Easton, 1988, p. 31)

In consequence, the usefulness of marketing theory for practitioners as well as the general ability of marketing to generate new theory is questioned.

Besides marketing theory in general, also **strategic planning** has been criticised frequently. There has, for instance, been a lively discussion concerning the very basis of strategic planning, the principal question of which is: does a planned approach lead to more success? (Mintzberg 1994b, pp. 92ff.; McDonald 1996, pp. 9ff.; McDonald 1992, pp. 7ff.) Several studies have been carried out in order to resolve this question, but without discovering unquestionable results for either side. (For detailed summaries of these, see for example, McDonald 1992, pp. 7ff; Saker and Smith 1997, pp. 127ff.; Hill, McGowan and Maclaran 1998, p. 70; Mintzberg 1994b, pp. 92ff.) The proposed benefits of a planning process are greater interventional coordination, greater control, better motivation, higher levels of actionable market information and a greater acceptance of the need for continuous change. (Saker and Smith 1997, pp. 127)

However, there are various critical voices, probably culminating in Mintzberg's "*The Rise and Fall of Strategic Planning*". (Nicholls, 1995, p. 4; McDonald, 1996, p. 5) Mintzberg (1994a, p. 107ff.; 1994b, pp. 159ff.) which identifies several 'classic' pitfalls of planning. "It shows how some of the planners' favourite arguments can be turned round to demonstrate how planning can discourage commitment, impede

serious change, and encourage politics”. (Mintzberg 1994b, p. xvii) Additionally, the author puts forward three ‘fundamental’ fallacies of strategic planning, namely the ‘fallacy of predetermination’, the ‘fallacy of detachment’, and ‘the fallacy of formalisation’. However, due to the constraints of this work, Mintzberg’s ‘classic’ pitfalls, which focus on factors that impede the successful practice of planning, will be excluded and only the ‘fundamental’ pitfalls, which reflect the causes for failures of strategic planning, will be discussed subsequently.

The fallacy of prediction refers to the premise of strategic planning, “...the world is supposed to hold still while a plan is being developed and then stay on the predicted course while that plan is being implemented”. (Mintzberg 1994a, p. 110) The author argues that no company can forecast the future with a given accuracy, and therefore, these premises cannot be held.

The fallacy of detachment is concerned with the idea that ‘true’ management is possible when it is no longer wholly immersed in the details of the task itself. Mintzberg (1994a, p. 111) argues that: “Real strategists get their hands dirty digging for ideas, and real strategies are built from the occasional nuggets they uncover. These are not people who abstract themselves from the daily details; they are the ones who immerse themselves in them while being able to abstract the strategic messages from them”.

Finally, the fallacy of formalisation is based on Mintzberg’s (1994b, p. 12) definition of planning, which is “a formalized procedure to produce an articulated result, in the form of an integrated system of decisions”. (Mintzberg 1994a, p. 111) The author

argues that human beings 'do better' than systems and, therefore, formal planning systems "have offered no improved means of dealing with the information overload of human brains; indeed, they have often made matters worse".

Finally, **Heuristic Marketing Devices** have been subject to criticism. There is a great amount of critical literature regarding individual models, such as, the BCG or the Product Life Cycle. (See, for example, Wilson and Gilligan 1997, pp. 313ff.; Kotler 2000, pp. 73ff.; Grantham 1997, pp. 6ff.) Due to the constraints of this work, no analysis of individual models, but rather some general limitations and criticisms of Heuristic Devices shall be outlined subsequently.

It is argued that the use of existing models by practitioners is only limited, which reflects the above mentioned problematic role of strategic planning. McDonald (1992, pp. 8ff.) argues that the application of marketing theory in practice is practically non-existent. He gives three reasons for this: companies have never heard of the theory, companies have heard of it but do not understand it or companies have heard of it, have tried them and found that they are largely irrelevant. (Ibid 1992, pp. 8ff.; Wilson 1997, p. 321)

Despite this criticism and Mintzberg's pronouncement of the death of strategy (Nicholls 1995, p. 4) there is still strong academic interest in the area of strategic planning and marketing models, for instance, portfolio models, which still have many proponents (Wilson 1997, p. 321). Furthermore, growing competition and the volatile environment in which business is conducted results in increasing demands for theoretical guidance. There have, however been various developments in the strategic

marketing literature over the last decades and Nicholls argument reflects very much the opinion of the author of this thesis: "Would it not be better to up-date our tools rather than throw away the whole tool box?" (1995, p. 4) Regardless of the criticism, Heuristic Marketing Devices can offer practitioners powerful tools when applied adequately, as can be seen by various case studies in which these models were applied under supervision of academics or consultants.

3.3 THE PUBLISHED WORKS

As can be seen in article 3 of vol. II of this thesis, Vignali C. & Davies B. (1994) the marketing mix is defined and revisited. The work of Cullotin (1947) and Borden (19) is developed and the mix framework as explained by McCarthy (1964) is expanded. The understanding of this framework as a conceptual tool is the background for the development and a deeper understanding of the practical and tactical implications of its use by managers when they desire to develop a strategic understanding of where they are and in which way they should progress. It is logical to recognise the existence of the variety of Marketing Mix combinations; each will be dependent on the situation analysis - every product, company, country, consumer and scenario is different at any one moment in time. The interactive and individual management activity can determine the solution proposed by the strategic analysis. The development of different mixes and use of a mix mapping approach as developed in article 1 and 2 of vol. II of the thesis that enhances the variety of different variables describing the market forces, which can only enhance the principles of 'action' research. The problems raised by the differing mixes can lead to marketing managers having to decide on options when devising these differing mixes. The most important

variables and elements need to be established through the individual situation analysis and, as long as they are the crucial variables and elements to the company at that moment, then the ingredients for success are likely to be more clearly identified than if such processes are not utilised. This perspective is central to this thesis.

The list of marketing variables and elements (which I believe is wider than the traditional 4 P's) is explored deeper in the article 'The Mix Map Model for international on Sport Sponsorship,' (Vignali, 1997). The list needs to cover the principal areas of the relevant marketing activities, so that the decision process can be fully exploited.

When examining different scenarios and different case histories marketing managers will use different mixes. 'Dancall Telephone in the UK Market,' (Vignali C. & Bennett R. 1996), used quite different variables and mixes than 'Bass Plc.' (Vignali C. & Vrontis D. 1999). The managers in both these case studies built different element and variable lists according to their situation analysis. Others articles presented in this thesis further expand on this view.

3.4. STRATEGY AND TACTICS

The debate relating to strategic and operational use of models and styles is a long-standing one and is not the main concern of this Thesis. However, it is important to understand the difference between the Heuristic devices used at each level. I have developed the Mix Map Framework as a tactical tool, which expands on the strategic thrust given by the PCL, BCM and other similar tools. The decision on the approach

to be used however rests with the practitioner's knowledge and understanding of these tools and models. In a participatory "Action Research" style, success is reliant on the practitioners' perspective. The following chapter clearly indicates how an understanding of the heuristics is necessary if the action research process is to be followed.

A further contribution to knowledge is the training and development of practitioners' understanding of the above. This contribution is not pursued within this thesis. A continuing (reflective) view of the application of heuristics in an action research environment is a critical component of eventual success. The Mix Mapping approach presented in the published cases allows practitioners the opportunity to develop their understanding. This method for increasing practitioners' insight and skills is novel.

4.1 HISTORY OF ACTION RESEARCH

Kurt Lewin, an eminent social scientist, is usually referred to as the introducer of the term “Action Research” more than 50 years ago (Peters and Robinson 1984, p. 114; Eden and Huxham 1996, p. 76; Gronhaug and Olson 1999, p. 6). However, it should be mentioned that several authors have identified earlier applications of an Action Research methodology, without explicitly using this terminology, or refer to different inventors (Eden and Huxham 1996, p. 77; van Mesdag 1998, p. 443, McNiff and Whitehead 2000, p. 197) and it is stated that Action Research is older than its terminology and even Frederick Taylor partly applied the Action Research methodology (Warmington 1980 p. 1f.). Lewin’s original work merely contains 22 pages referring to this topic and it is argued that no systematic statement and definition of his views on Action Research is included (Agyris, Putnam and Smith 1985, p. 8; Warmington 1980, p. 3). This resulted in a fuzzy categorisation of types of research to be subsumed under the label “Action Research” (Gronhaug and Olson 1999, p. 6; Dickens and Watkins 1999, p. 128, Peters and Robinson 1984, p. 114). However, Lewin explained his meaning in a number of passages in which he used terms like “problem centred research” or, “a research programme within an organisation whose progress is guided by the needs of the organisation” (Warmington 1980, p. 3). Two often repeated statements attributed to Lewin are “Nothing is as practical as a good theory” and “The best way to understand something is to try to

change it". (Greenwood and Levin 1998, p. 56) Warmington (1980, p. 3) argues that for Lewin Action Research, and perhaps all the most important activities of the social scientist, was centred on the problems being felt 'as of now' by the society or by a group or an organisation and helping that body to improve its situation or to solve its problem. In addition, the process must lead to some kind of action, or in Lewin's sense, 'research leading to action or research on the effects of action'.

Originating with Lewin, Action Research has developed via several countries and organisations like the Centre for Social Research at Michigan University, and parallel but independently, at the Tavistock Institute in Europe. (Warmington 1980, p. 3; Susman and Everet 1978, p. 581, Rapoport 1970, p. 499ff.)

4.2. DEFINITIONS AND PROCESSES OF ACTION RESEARCH

Action Research is an approach to research which combines action and the generation of knowledge or theory about action. The outcomes are, unlike traditional research, both an action and a research outcome. (Coghlan and Brannick 2001). Thereby, a cyclical process in collaboration of researcher and practitioner is being pursued. The key idea is that Action Research uses a scientific approach to study the resolution of important social or organisational issues together with those who experience the issues directly (Coghlan and Brannick 2001, p. 4). They refer to Action Research as a "longitudinal case study, where the researcher takes some action and the effects are monitored". Greenwood and Levin give a more process and outcome-oriented definition:

Action Research is social research carried out by a team encompassing a professional action researcher and members of an organisation or community seeking to improve their situation. Action Research promotes broad participation in the research process and supports action leading to a more just or satisfying situation for the stakeholders. (1998, p. 5)

The most used definition of Action Research (Gronhaug and Olson 1999, p. 6; Warmington 1980, p. 6) is established by Rapaport:

Action Research aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable ethical framework...

It is characterised by

- 1 The immediacy of the researcher's involvement in action
- 2 The intention of both parties to be involved in change. (Rapaport, 1970, p. 449)

The above points are all identified in articles 5,6,9,10,11 in vol. II of the thesis. The definitions stated above stress several features of Action Research, while neglecting others. For instance it is emphasised that 'action' is being taken and the effects are reflected. The second definition mentions the participative character of this method and the focus on 'improvement' for the participants. Finally, Rapaport's definition highlights the practical concerns of the organisation and these implicitly take precedence over the goals of social science. The action is superior to the research, although the research is still an essential element. (Warmington 1980, p. 6). A, more

complete, summary of the characteristics of Action Research as proposed in Lewin's conceptualisation was forwarded by Agyris, Putnam and Smith [1985]:

- 1 It involves change experiments on real problems in social systems. It focuses on a particular problem and seeks to provide assistance to the client system.
- 2 Like social management more generally, it involves iterative cycles of identifying a problem, planning, acting and evaluating.
- 3 The intended change in the Action Research project typically involves re-education, a term that refers to changing patterns of thinking and action that are currently well established in individuals and groups. A change intended by change agents is typically at the level of norms and values expressed in action. Effective re-education depends on participation by clients in diagnosis, fact-finding and free choice to engage in new kinds of action.
- 4 It challenges the status quo from a participative perspective, which is congruent with the requirements of effective re-education.
- 5 It is intended to contribute simultaneously to basic knowledge in social science and to social action in everyday life. High standards for developing theory and empirically testing propositions organized by theory are not being to be sacrificed nor the relation to practice lost.

However, as well as having differing definitions, the characteristics attributed to Action Research also deviate between different authors.

Peters and Robinson (1984, p. 5) analysed the work of eleven authors concerned with Action Research, including Lewin's original work and identified various differences albeit some similarities in the perception of Action Research existed. The common understanding was that Action Research is problem focused, action oriented,

following a cyclic process, and collaborative in nature. This can be seen when we look at article 7 in vol. II.

Warmington (1980, p. 5), also highlighting different understandings of Action Research, states that the term Action Research is applied to a range of activities spreading from “programmes of research with little action to programmes of action with little research”.

The Action Research ‘process’ runs through cycles until the problem initially identified is exhausted. Possibly, the problem is adequately addressed by completing one cycle; more likely, however, several cycles may be necessary in order to correctly identify and address the topic. (Dickens and Watkins 1999, p. 133)

Lewin’s original Action Research cycle consisted of five steps: ‘Analysis, fact finding and reconceptualisation’, ‘Planning’, ‘Acting (Execution)’, ‘Observing (more fact finding)’, and ‘Reflecting and acting again’ (Dickens and Watkins, 1999, p. 133). Nevertheless, various authors have published differing descriptions of the Action Research process. (Susman and Evered 1978, p. 588; Warmington 1980, p. 11) The following section will reflect and describe the main steps in an Action Research project with emphasis on a managerial application of Action Research. Thereby, a cyclic model integrating different models for organisational change shall be used. This model was perceived as sufficient in this context. The model was developed by Zuber-Skerritt in order to provide a general and broad framework for understanding Organisational change. (Zuber-Skerritt 1996, p. 100)

conducted. The inner circle reflects the Action Research model, mainly based on the steps of Lewin. Finally, the middle ring reflects Lewin's model of organisational change. Unfreezing denotes creating the motivation to change in an organisation through a disturbance, an innovation, for example. Moving implies developing and changing new beliefs, values, attitudes and behaviours, based on new information and insight. Finally, Refreezing means stabilising and integrating the new beliefs, values, attitudes and behaviours into the whole system and reaching a new equilibrium, until the need for a new cycle of unfreezing, moving and refreezing emerges. (Zuber-Skerritt 1996, p. 97; Burnes, 1996, p. 12) As with the task alignment model, Lewin's model of organisational change shall not be discussed in detail. The aim of including these models into the figure was merely to show analogies between the Action Research process and other models for change and to highlight the similarities of the methods.

Some modifications of the original models need a brief discussion:

Zuber-Skerritt extended the task alignment model and Lewin's model for organisational change by the last step in order to include and emphasise 'reflection', a "key element in the Action Research model" (Zuber Skerritt 1996, p. 99). Furthermore, the pre-step 'Analysis' was added to the model forwarded by Zuber-Skerritt in order to recognise the need for, and importance of, this step.

The Action Research team, usually consisting of practitioners and scientists, begins by identifying a problem in their particular context. Subsequently, the team works within that context to collect pertinent data. Data sources might include interviewing other people in the environment, completing measurements, conducting surveys, or

gathering any other information that the researchers consider informative (Dickens and Watkins 1999, p. 132). This point is further identified in articles 1 and 2 of the thesis in vol. II.

Dickens and Watkins (1999, p. 132), by referring to Watkins (1991), argue that by collecting data around a problem and then feeding it back to the organisation, researchers identify the need for change, and the direction that that change might take. As identified in article 2 in vol. II of the thesis.

Planning action follows from the analysis of the context and purpose of the project. This presupposes a motivation of learning a motivation to change, as forwarded by Lewin. 'Unfreezing' contains a process of 'unlearning' which is necessary for an organisation in order to 'relearn'. (Coghlan and Brannick 2001 p. 101)

Taking action means the implementation of the plan. This can be done, for example, by generating data and giving feedback to the organisation (the feedback to the community may act as an intervention itself) or the researchers may implement more structured actions that create changes within the system. (Dickens and Watkins 1999, p. 133)

Finally, the outcomes of the research, both intended and unintended, are examined with a view to seeing if any original diagnoses were correct, if the action was taken correctly and in an appropriate manner and what feeds into the next Action Research cycle. (Coghlan and Brannick 2001, p. 18) Controversially, some authors argue that the researcher should not have a precise idea of the nature of the outcome of any

intervention at the start and that the really valuable insights are those that emerge from the process in ways that cannot be foreseen. From this point of view, the testing of original diagnoses is impossible (Eden and Huxham 1996, p. 81). The participation of the research subject in the research process and the cyclical nature of Action Research characterise the process.

However, it is argued that Action Research projects (which are carried out in collaboration between action researcher and client system) may differ in the number of phases. (Susman and Everet 1978, p. 588) McNiff and Whitehead (2000, p. 205) even argue that action plans such as this one are useful, but they can be misleading. It is tempting to see these plans as routines to be followed rather than prompts to encourage people to be creative about their practice.

4.3 EPISTEMOLOGICAL ISSUES

As stated above, a multitude of definitions of Action Research exist and various authors combine different attributes and characteristics with it. There is, in addition, a controversial discussion about the recognition of Action Research as a scientific method. This discrepancy stems partly from the insufficient definition in Lewin's seminal work. Furthermore, differing underlying theoretical views on the world and the nature and purpose of science, manifested in differing worldviews, paradigms, or orientations, exists. These ideas strongly influence perceptions concerning the nature of science, the subjective-objective dimension and the existence of long-term conflicts in society. (Arndt 1985, p. 15) In other words, the assessment of the scientific nature

of Action Research strongly depends on the worldview or paradigm the assessor supports.

The term 'paradigm' is often connected to the work of Thomas Kuhn in the 1960's. Kuhn argued that scientific progress happens in small steps as an enhancement and refinement to what is already known. (Easterby-Smith, Thorpe and Lowe 1999, p. 22) Paradigms deal with the proper domain of a science, the research questions it should ask, and the rules to follow in the interpretation of the results. They form the foundation of theories, although they are not theories themselves, but often remain implicit, are taken for granted, and, hence, are usually unquestioned. Furthermore, paradigms are not neutral and value-free. Rather, they can be seen as social constructions reflecting the values and interests of the dominant researchers in a science and their reference groups. (Arndt 1985, p. 11) Therefore, paradigms are accepted models or patterns, which underlie 'normal science'. (Dixon and Wilkinson 1980, p. 40) But paradigms are not static. Occasionally, research results do not fit into existing patterns and theories. Furthermore, if new ways of looking at things are proposed which can account for both the old and new observations a "scientific revolution" can occur. (Easterby-Smith, Thorpe and Lowe 1999, p. 22)

There is little in the literature to suggest attempts to falsify marketing theory. There has been a long period of calm since the article by Dhalla & Yuspeh (1976), which threatened the Product Life Cycle. The authors claimed that the essence of branding played havoc with this heuristic device. It is evident that since 1976, the literature that follows does not take up the Dhalla & Yuspeh challenge.

A brief overview about the two major, and extreme, paradigms in social sciences, positivism and phenomenology follows and Action Research is located within this framework. The designation “positivism” will be used (loosely) for all possible terminologies pertinent to this worldview, or orientation, i.e. all approaches to science that consider scientific knowledge to be obtainable only from data that can be directly experienced and verified between independent observers. (Susman and Evered 1978, p. 583). The same approach applies to the term ‘phenomenology’ i.e.; it is used as a convenient ‘label’ to characterise a range of propositions.

Positivism has a long intellectual history dating back to the late 15th and early 16th century, where a strong faith in rationality existed (Deshpande 1983, p. 102), and is connected to the work of Bacon (1561-1626) and Descartes (1596-1650). The perception of everyday scientific reality was based on the human senses – if a phenomenon could not be seen, heard, touched, smelled, or tasted, then it could not exist. Due to the extreme positivism point of view, man is a passive responder and reality is conceived as a concrete structure. In this perspective, knowledge can be created ‘at distance’. (Gronhaug and Olson 1999, p. 7) This positivist conception of science, which has dominated the physical, biological, and social sciences for more than a hundred years, is, at a later stage, linked to the work of the French mathematician and philosopher Auguste Comte (1798-1857). He used the term “positive” to refer to the actual in comparison to the imaginary (Susman and Evered 1978, p. 582), and argued that society could be studied by using the same logic of enquiry as that employed by the natural sciences. Two assumptions underlie this paradigm; firstly, that reality is external and objective and secondly, that knowledge is

only of significance, if it is based on observations of this external reality. (Easterby-Smith, Thorpe and Lowe 1999, p. 22) They give the implications listed below.

- 1 Independence: the observer is independent of what is being observed;
- 2 Value-freedom: the choice of what to study, and how to study it, can be determined by objective criteria rather than by human beliefs and interests;
- 3 Causality: the aim of social science should be to identify causal explanations and fundamental laws that explain regularities in human social behaviour;
- 4 Hypothetic-deductive: science proceeds through a process of hypothesising fundamental laws and then deducing what kinds of observations will demonstrate the truth or falsity of these hypotheses;
- 5 Operationalisation: concepts need to be operationalised in a way which enables facts to be measured quantitatively;
- 6 Reductionism: problems as a whole are better understood if they are reduced into the simplest possible elements;
- 7 Generalisation: in order to be able to generalise about regularities in human and social behaviour it is necessary to select samples of sufficient size;
- 8 Cross-sectional analysis: making comparisons of variations across samples can most easily identify such regularities.

(Easterby-Smith, Thorpe and Lowe 1999, p. 23)

Giddens (1977), argues that in the positivist view, science is the primary discipline and, although philosophy is recognised as a separate discipline, it is seen as parasitic upon the findings of science. In addition, there is a fundamental distinction between fact and value: fact being the product of science, whilst value represents an entirely different and inferior order of phenomena. This reflects the underlying assumptions displayed above. There exist, however, various nuances represented by the many

schools of positivistic thought, and the short description given in this thesis does not do justice to all of them.

Largely in reaction to the application of positivism to social sciences, another paradigm has arisen. The primary objective of this worldview, termed phenomenology¹, is the direct investigation and description of phenomena as consciously experienced without theories about their causal explanation and as free as possible from unexamined preconceptions and presuppositions. (Encyclopaedia Britannica Online 2001a). Vico (1668-1744), for instance, argued that one could not study man and society in the same way as one studied inanimate nature. Easterby-Smith, Thorpe and Lowe (1999, p. 24) by summarising the work of Husserl (1946) argue that this paradigm, therefore, stems from the view that the world and 'reality' are not objective and exterior, but that they are socially constructed and given meaning by people. This so-called 'phenomenology' or 'idealism' was strongly influenced by authors such as Husserl, Brentano, Hegel, Schleiermacher, and Weber in the nineteenth century. Weber, for instance, was concerned with the mind as the creator of reality. (Deshpande 1983, p. 102) One should therefore try to understand why people have different experiences, rather than search for fundamental laws and external causes to explain their behaviour.

The differences between the phenomenological paradigm, which incorporates qualitative methods, and positivism, which follows a quantitative approach, are discussed subsequently. Reichardt and Cook state that

“...The quantitative paradigm is said to have a positivistic, deductive, particularistic, objective, outcome-oriented, and natural science world view. In contrast, the qualitative paradigm is said to subscribe to a phenomenological, inductive, holistic, subjective, process-oriented, and social anthropological worldview. “(1979, p. 9, 10)

The following illustration reflects major differences between the positivistic and the phenomenological paradigm:

Heidegger, for instance, questioned the word “phenomenology” and traced it back to the meanings of the Greek concepts of

FIGURE 3: DIFFERENCES BETWEEN POSITIVISM AND PHENOMENOLOGY

	Positivist Paradigm	Phenomenological Paradigm
<u>Basic beliefs:</u>	<ul style="list-style-type: none"> • The world is external and objective • Observer is independent • Science is value-free 	<ul style="list-style-type: none"> • The world is socially constructed and subjective • Observer is part of what is observed • Science is driven by human interest
<u>Researcher should:</u>	<ul style="list-style-type: none"> • Focus on facts • Look for causality and fundamental laws • Reduce phenomena to simplest elements • Formulate hypotheses and then test them • Work outcome-oriented • Analyse – Particularistic approach 	<ul style="list-style-type: none"> • Focus on meanings • Try to understand what is happening • Look at the totality of each situation • Develop ideas through induction from data • Work process-oriented • Synthesize – Holistic approach
<u>Preferred methods include:</u>	<ul style="list-style-type: none"> • Quantitative methods preferred • Operationalising concepts so that they can be measured • Taking large samples • Uncontrolled, naturalistic observational measurement • Objective; „outsider’s“ perspective; distanced from the data 	<ul style="list-style-type: none"> • Qualitative methods preferred • Using multiple methods to establish different views of phenomena • Small samples investigated in depth or over time • Subjective; „insider’s perspective; close to the data
<u>Question of Validity:</u>	Does an instrument measure what it is supposed to measure ?	Has the researcher gained full access to the knowledge and meanings of informants ?
<u>Question of Reliability:</u>	Will the measure yield the same results on different occasions (assuming no real change in what is to be measured) ?	Will similar observations be made by different researchers on different occasions ?
<u>Question of Generalisability:</u>	What is the probability that patterns observed in a sample will also be present in the wider population from which the sample was drawn ?	How likely is it that ideas and theories generated in one setting will also apply in other settings ?

SOURCE: EASTERBY-SMITH, THORPE AND LOWE 1999, P. 27 AND 41; DESHPANDE 1983, P. 103

This figure displays the ‘pure’ versions of each paradigm. Although the basic beliefs may be incompatible in theory, when it comes to actual research, an amalgam of techniques that utilise both approaches is often applied. Deshpande (1983, p. 107) states that several scholars have noted that quantitative methodologies – therefore following the positivistic paradigm – emphasise reliability (frequently to the exclusion

phainomenon and *logos*. *Phainomenon* is “that which shows itself from itself,” but together with the concept of *logos*, it means Aristotle’s work

of validity), while qualitative methodologies emphasise validity while downplaying reliability.

However, both approaches offer advantages for the researcher and yet have simultaneously been criticised.

Easterby-Smith, Thorpe and Lowe argue that positivistic methods

...Provide wide coverage of the range of situations: they can be fast and economical: and, particularly when statistics are aggregated from large samples, they may be of considerable relevance to policy decisions. On the debit side these methods tend to be rather inflexible and artificial; they are not very effective in understanding processes or the significance that people attach to actions; they are not very helpful in generating theories. (1999, p. 32)

However, it should be mentioned, that despite the increasing criticism, , that positivist ideas were not totally abandoned by philosophers of science and such ideas still have some influence today. (Hammersley, 1995, p. 11). McLaughlin (1996, p. 191) states that a number of contributors to the Commission of Management Research (in 1993) complained that too much of management research was dependent on positivism.

Easterby-Smith, Thorpe and Lowe argue that

The strength and weaknesses of the phenomenological paradigm and associated qualitative methods are fairly complementary. Thus they have strengths in their ability to look at change processes over time, to understand people's meanings, to adjust to new issues and ideas as they emerge, and to contribute to the evolution of new theories. They also provide a way of gathering data, which is seen as natural rather than artificial. There are, of course, weaknesses. Data collection can take up a great deal of time and resources, and the analysis and

interpretation of data may be very difficult. Qualitative studies often feel very untidy because it is harder to control their pace, progress and end-points. There is also the problem that many people, especially policy-makers, may give low credibility to studies based on a phenomenological approach.” (1999, p. 32)

Hammersley (1995) identifies the relativism of phenomenology as a key stumbling block for this approach. The question is, therefore, how social scientists can maintain that the researcher’s reality or interpretation is more accurate and valid than that of the subjects of the study. This is especially relevant because both have the layman’s world as their reference point and share the same resources. In other words, the phenomenological assumption that there is no universal truth determines that any position can be false if viewed from other points of view. (Hammersley 1995, p. 17)

Due to the opposing standpoints of both paradigms, the proponents of the quantitative, or idealistic, worldview can be located on the opposite end of an objectivity-subjectivity continuum from those of the positivist school of thought. (Deshpande 1983, p. 103) However, this does not necessarily mean that no integration of approaches is possible. Deshpande (1983, p. 107) concludes that (by using the example of marketing) a scientist would be well advised to carefully study and then put into practice qualitative methods. Once a theory has been developed and grounded, the application of quantitative methods would be more appropriate.

To be able to assess whether the Action Research methodology is scientific, and if so, if it is related to positivism or close to phenomenology – the two extreme positions – a deeper analysis of the scientific nature of Action Research is necessary. Therefore, Action Research is tested against the criteria of positivism. The defined characteristics

of positivism allow, an initial assessment of the similarities and differences to Action Research. Subsequently, because of the very nature of phenomenology, which inherently incorporates opposing viewpoints to positivism, the relation between Action Research and this paradigm can be evaluated. Beginning with the assessment of the generation of knowledge in Action Research and positivism and the consideration of deductive vs. inductive approaches, the following aspects are considered detachment vs. engagement of the researcher, action vs. prediction, the use of inductive vs. deductive methods and the application of a reductionist vs. systems approach. Although there are further areas in which similarities and differences can be detected, the following section focuses on the main criteria of importance in the development of the revised model of action research.

4.4 THE GENERATION OF KNOWLEDGE IN ACTION RESEARCH

Knowledge generation is at the centre of any research project. Gronhaug and Olson (1999, p. 7) argue that the production of knowledge is an important, if not *the* important purpose of conducting scientific research. Thereby, positivists believe that the basis of science lies in a theoretically natural observation language, which are both ontologically and epistemologically primary. Epistemology refers to the character of our knowledge of the world, and to count as 'facts'. Ontology refers to what is the essence of things that make up the world; both concepts are related in that claims about what exists in the world almost inevitably lead to questions about how what exists in the world and how it is made known.

As a consequence, a traditional element of the term knowledge has been, and partly still is, related to the truth-value of the knowledge. Truth was also considered to be an overriding, central goal of marketing theory and research. (Hunt 1990, p. 1) However, truth is what society believes to be 'correct' and therefore has passed some rigorous tests. Calder, Phillips and Tybout argue that:

When theory application is the goal, falsification procedures are required to assess the scientific status of the theory. These procedures allow *anything* to be done that will ensure a rigorous test of the theory. Such a test is provided when internal, construct, and statistical-conclusion validity are maximised ... this entails selecting homogeneous respondent samples, tailoring multiple empirical operationalizations to the abstract theoretical concepts that they are meant to represent, and conducting true experiments in laboratory or other settings that are relatively free of extraneous sources of variation. If research provides a strong test of the theory, and if the theory escapes refutation, the theory is accepted as a scientific explanation of real-world events. (1981, p. 203)

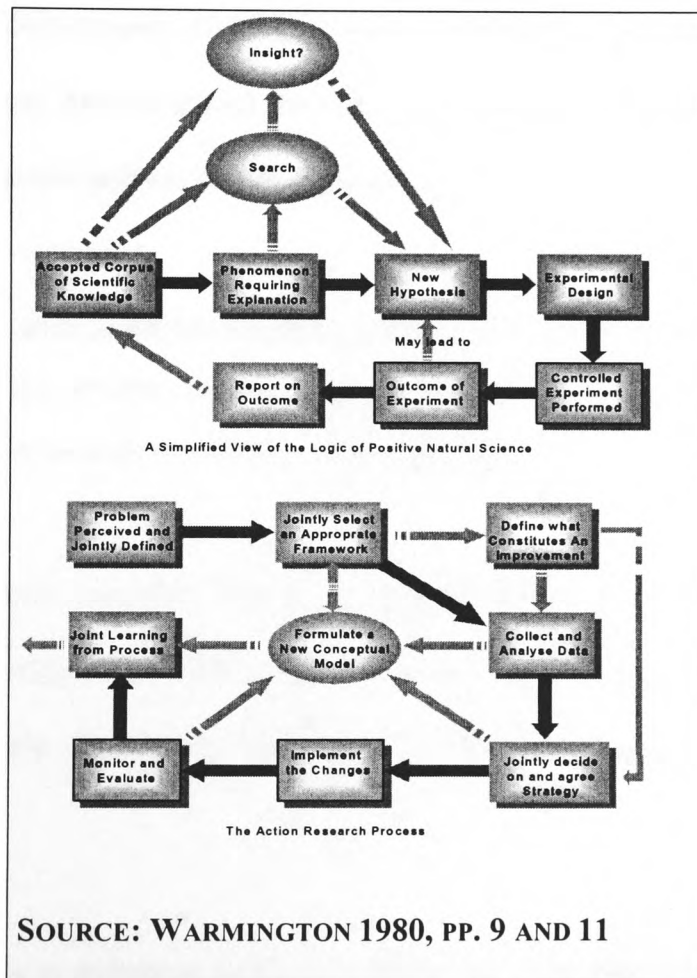
In other words, by looking at the 'facts' of the world, statements made are directly verifiable as true or false; language and the facts would 'speak for themselves'.

Alternatively, it is claimed that action research possesses great potential for knowledge creation, although not following positivistic claims. Susman and Evered (1978, p. 599) argue that if action research possesses its own legitimate epistemological and methodological base, then it can contribute to the growth of knowledge in a way different to that of positivist science can contribute.

The 'process' of theory, and therefore knowledge, generation in the positivistic sense is often connected to the Popperian view of the logical process that has to be followed

for scientific progress. While, in this view, induction is bypassed as not being part of scientific inquiry, the generation of falsifiable hypotheses and the execution of experiments that are capable of falsifying these hypotheses lie in the centre of interest. (Warmington 1980, p. 8; Mintzberg 1979, p. 584; Giddens 1979, pp. 58.) The differences between this process of positive natural science and the Action Research methodology are displayed in the subsequent figure².

FIGURE 4: PROCESS OF KNOWLEDGE CREATION IN POSITIVISM AND ACTION RESEARCH



² The processes are not be discussed in detail; rather the general differences in the approaches to knowledge creation are highlighted. A more detailed description can be found in: Warmington 1980, pp. 8ff.

The positive natural science methodology is commonly accepted and widely used among natural scientists. However, the application of this method bears several problems for social scientists. Firstly, the execution of relevant controlled laboratory experiments is difficult in social sciences and therefore, this stage has often been substituted, for example, by incorporating statistical methods such as sampling and data manipulation (Warminton 1980, p. 8). Mintzberg, by discussing the example of research methodology courses for doctoral students, argues that this Popperian view focuses solely on deduction (1979, p.584).

Popper, a key figure in positivism in recent years, developed the idea of deductivism, or hypothetic deductivism, in order to draw a distinction between the metaphysical and the empirical. In it he argues that a scientific theory can never be accorded more than provisional acceptance. Popper argues that

“There can be no ultimate statements in science: there can be no statements which cannot be tested, and therefore none that cannot be refuted, by falsifying some of the conclusions which can be deduced from them” (Popper 1968, p. 47)

Deductive methods, therefore, aim at the exploration of causal relationships by using mainly quantitative, testifiable research methods. Propositions are generated and tested in a highly structured research process and the sustained search for negative instances.

Mintzberg refers to deduction as the less interesting, less challenging part (in relation to induction). (1979, p. 584) In the same vein, it is argued that there is a need for assumptions about the world – even if these may be wrong – in order to avoid going

‘mad’ by constantly re-inventing our world from the myriad of possible stimuli and responses. Susman and Everet (1978, p. 598) felt that the deductive method offered no new knowledge about the world, as this method is only used to work out the consequences of what is already accepted. Furthermore, McLaughlin (1996, p. 189) argues that if we accept that theory acceptance is always tentative, how then can theory rejection be decisive, when observation statements inherently are theory dependent and fallible?. In other words, a straightforward conclusive falsification of theory is not achievable because the observations leading to the falsification of a theory may be wrong. Finally, McLaughlin states that on a practical level it is unrealistic to expect that scientists will set out to disprove their theories. He argues, that in reality, the opposite is often the case.

Susman and Everet (1978 pp. 584ff.), in the same vein, put forward four aspects to support their argument that the formalist and reconstructionist worldview (and therefore positivism) is inadequate for generating knowledge, especially in the organisational context. Firstly, organisations are artefacts, created by human beings to serve their ends and they obey laws that are affected by human purposes and actions. Secondly, organisations are systems of human action in which the means and ends are guided by values. Thirdly, empirical observation and logical reconstruction of organisational activities are not sufficient for a science of organisation because organisations are planned according to their members’ conceptions of the future. These conceptions do not have a ‘truth-value’ in the positivistic sense. Furthermore, organisational researchers can understand organisations experientially and understanding need not be supported empirically, or validated logically, to find the ‘truth’ of many propositions. Fourthly, organisations can be legitimate objects of

scientific inquiry only as single cases, without considering whether such cases are subsumable under general laws. Knowledge about which actions are appropriate for problem solving need not be derived by reference to a general category of similar organisations from which we know what the best action to take is on average.

From the preceding analysis, it can be surmised that Action Research takes opposing standpoints to positivism in many aspects. Firstly, the generation of theory follows a different path in the process, the application of methods and the perception and evaluation of knowledge. The knowledge gained in an Action Research process is likely to be judged as unscientific and not provable by proponents of the positivistic.. Secondly, the application of action contradicts the ideas of positivistic predictability. This becomes especially critical when assessing the participation of the Action Researcher in the action process. Rather than following the principles of rigour and objectivity, the scientist actively engages in the process and the knowledge of the layman is valued as equally important. Finally, the systems view followed in Action Research is opposed to the reductionist approach incorporated in the positivistic paradigm. The emerging systems cannot be analysed by applying quantitative methods, because the number of interdependent variables prevents generalisation (and the operationalisation of concepts) in order to test and verify propositions. Eden and Huxham (1996, p. 82) conclude that Action Research does not lend itself to repeatable experimentation; indeed its distinctive role is employed when experiments are inappropriate. Hence, the results of Action Research are prone to criticism if their external validity is judged solely by the traditional criteria of positivist science.

Greenwood and Levin (1998, p. 54) argue that in academic circles, Action Research is generally denigrated as unscientific, although some conventional scientists admit its usefulness. The criticism is mainly based on the argument that the findings of Action Research are based on “story telling rather than doing science” (Ibid, p. 54).

Peters and Robinson (1984, p. 120), summarising Agyris (1980) argue that ‘action science’ differs from ‘normal science’ – and therefore from positivism – in that the latter produces generalisations with high specificity and precision. Action science generates understanding of low generalist ability but a high accuracy, which attempts to specify the ‘wholeness’ of a particular problem, by capturing the pattern of variables whose validity is then tested by seeing the degree to which actors can use the model to develop actions which are effective in context.

From another view point, the scientific status of Action Research can be accepted by locating its foundation in philosophical viewpoints, which differ from those used to legitimate positivist science. (Susman and Everet 1978, p. 594). If the generation of knowledge and the sophistication of the research process are used as criteria, Action Research can be regarded as scientific, because it possesses strong knowledge-creation capabilities and the applied methods are structured and complex in comparison to approaches used by laymen.

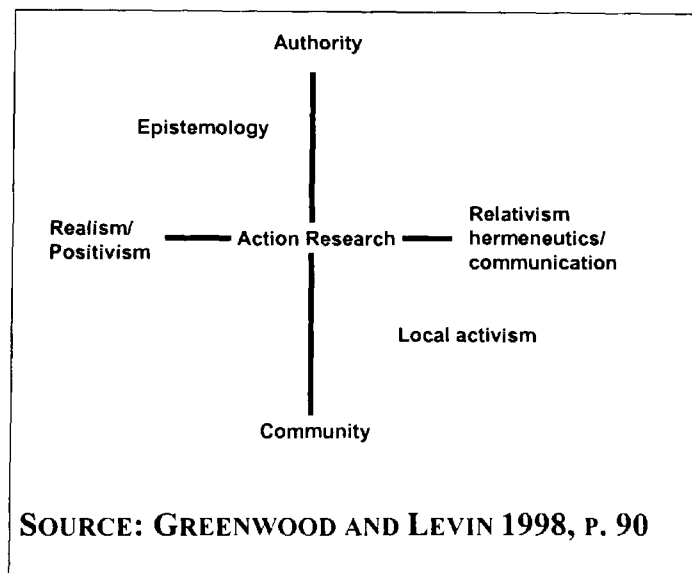
Greenwood and Levin (1998, p. 56) proposed that Action Research’s pursuit of interactions between action and thought resembles research in the physical sciences far more closely than the practices of conventional social science. They therefore conclude that Action Research is “more capable of producing scientific results (in a positive sense) than conventional social science”.

After concluding that Action Research is not positivistic, the question arises as to where it is located with regard to other paradigms, e.g. on a continuum from extreme positivism to strict phenomenology. Bhattacharya, Cowan and Weedon (2000, p. 314) argue that Action Research is located between the high ground of positivism and the swampy lowlands of practical relevance.

Greenwood and Levin (1998, p. 90) see Action Research at the very centre of human life. The authors argue that, action research rejects both unquestioned authority and realism-positivism as reasonable approaches to social learning and social change. In contradiction to local activism, it also rejects pure relativism and uncritical commitment to the group it services.

The following figures shows Greenwood and Levin's "Map of Action Research"³.

FIGURE 5: MAP OF ACTION RESEARCH



³ Hermeneutics is the art of understanding and the theory of interpretation (see: Wildman 2001) and as such related to phenomenology (see: Ihde 2001)

Peters and Robinson (1984, p. 117) state that discussions of Action Research can be found in the literatures on social and community action, organizational development, the transformation of educational organisations and practices and in methodological and theoretical discussions of social science. Rapaport (1970, pp. 499ff.), in more detail, describes four streams of development of action research. Firstly, the Tavistock stream of experience is based on the work of the Tavistock Institute and mainly deals with the combination of medical and social disciplines. Secondly, Operational Research, a multi-disciplinary subject, is emphasising mathematics, engineering and the physical sciences as well as the psychobiological sciences. Thirdly, Group Dynamics, which is related to experimental psychology and based on Lewin's work. Finally, the Applied Anthropology stream, emphasising the culture concept and the need to approach problems, includes those of industrial relations, in cultural and sub-cultural terms.

On the practical level, Eden and Huxham (1996, p. 75) have highlighted the value of action research in management research and state that its supporters value the richness of insight, which could not be gained in other ways. These authors state that during the previous two decades or so, a network of scholars has developed whose interest is with the use of some of the principles of Action Research as a method for developing "*effective professional practice*". The individual practitioner, rather than the organisation, is the focus of the research. The authors see education research as an application field for Action Research. Coghlan (2001, p. 49) mentions that managers are increasingly engaging in action research projects in their own organisations. In addition, he argues that issues of organisational concern, such as systems

improvement, organisational learning, the management of change and so on, are suitable subjects for Action Research.

4.5. CRITICISM

Rapaport (1970, pp. 50) proposed three dilemmas of Action Research in which the resolution in one direction leads away from science, while resolution in the other direction leads away from action.

- **Ethical Dilemmas:** Firstly, the clients' interests may differ from the ethical standards characteristic to scientific research. So can, for instance, an Action Research project aim at the maximisation of profit in a field that is harmful to the society, e.g. tobacco, or not medically approved health care products? Secondly, the confidentiality of the research subject may be endangered. This is, however a danger in all scientific research processes, but Action Research inherently reveals a multitude of information about the company and about individuals inside the clients' organisations, due to the close cooperation and participative nature. Thirdly, an ethical dilemma can emerge when, after researcher developing work for one client, a competitor approaches the action researcher for similar assistance. Here again, the great insight of the scientists into the clients' processes can lead to knowledge transfer. Fourthly, the personal involvement of the action researcher in the client organisations may pose ethical as well as technical problems. Over-involvement may result in bias and the urge to keep the action researcher's expertise in the firm can lead to job offers for the researcher. Finally, a frequent ethical issue arises in

relation to competing action researchers or social consultants. A company can be motivated to seek to use an action researcher in organisational politics selecting what he likes and rejecting what he dislikes from the diagnostic stages of the work or from experiments which were pursued by other researchers or clients.

- Goal dilemmas: Firstly, the action researcher has the problem to find a balance between being too theoretic (e.g. ivory tower discussion) or being too practical and not contributing to scientific knowledge. Secondly, the time gap between problem definition and decision making must be long enough to allow for thorough analysis, either naturally, by conducting research in advance, or by the deferment of the decision making process. Thirdly, the need for the action researcher to get a deep insight to achieve the scientific goal might collide with the practitioners' wish for confidentiality.
- Dilemmas of initiatives: Firstly, the Action Research conception places the initiative with the client who has a problem that needs solution. This contrasts with the whole 'ethos of the academy', where protections have been erected and maintained in order to keep practical pressures off the scholar so that the researcher may conduct the value-free pursuit of knowledge with minimal interference. Secondly, the problem proposed by the practitioner might not be the most important one on which work has to be done. Thirdly, a defensive reaction of the research subjects may interfere with the action proposed by the researcher. Fourthly, a dilemma arises when one begins to appreciate the situation where an applied social scientist may realise the need for certain

problems to be solved but can discover no agency in society that is responsible for the solution of the problem.

Rapaport (1970, p. 503) proposes that in each case 'good' Action Research selectively combines elements of both worlds.

Gronhaug and Olson state that:

Over the years, Action Research has become acclaimed and criticised. At the same time as this research, tradition has been claimed to be the only way of producing useful knowledge by its (extreme) proponents (cf. Susman and Evered, 1978), action research has been deemed "unscientific", and to produce research of mediocre quality with invalidated findings (Sorensen 1992). (Gronhaug and Olson 1999, p. 6)

Dickens and Watkins (1999, p. 131) highlight that Action Research has been criticised as either producing research with little action or action with little research; as being weak when merely a form of problem-solving and strong when emancipatory; as lacking the rigour of true scientific research; and lacking in internal and external control. Therefore, as being of little use in contributing to the body of knowledge. It is furthermore argued, that the principles of action and research are so different as to be mutually exclusive, so that to link them together is to create a fundamental internal conflict. In addition, the authors state that:

Many Action Research studies appear to abort at the stage of diagnosis of a problem or at the implementation of a single solution or strategy, irrespective of whether it resolves the problem. Individuals seeking to solve problems in complex, real-time settings find that the problems

change under their feet, often before the more in-depth iterative search for solutions suggested by Action Research has achieved meaningful results. (Dickens and Watkins 1999, p. 131)

Peters and Robinson (1984, p. 122) argued that Action Research did not enjoy the status of a paradigm in the social sciences, even though a small number of writers had spoken of it as such. Peters and Robinson argue that although there were some common methodological procedures, there was no scientific community. Action research therefore was not seen as a paradigm in a Kuhnian sense. The authors suggest that “at least” a certain self-consciousness by practitioners of their common membership has to be present, indicated by such things as the existence of professional journals and associations, a textbook tradition, and the like. Nevertheless, Peters and Robinson saw a potential for Action Research to reach a paradigmatic status. (1984, p. 122)

On the other hand, Peters and Robinson (1984, p. 117) state that Ketterer *et al* (1980) already saw action research as an emergent paradigm, being one among a number of other approaches that held considerable promise for the integration of theory and practice

In this chapter, the history and process of Action Research as well as differing definitions of the topic have been discussed. Inconsistent perceptions of action research have demanded an analysis of the underlying theoretical assumptions about science. Based on this analysis, the scientific nature of action research and its position with regard to other worldviews has been assessed. Action research is seen as close to phenomenology, while rejecting the majority of positivistic perspective. A final answer to the question ‘Is Action Research scientific?’ could not be found.

5.1. DATA IN THE CASES STUDIES

The principal aim of the research conducted in this thesis is the identification of limitations of the current application process of Heuristic Marketing Devices. A set of propositions was established in chapter 1, based on an analysis of current literature concerning heuristic devices and action research. The aim of this research process is therefore, to assess the propositions, in order to either accept or reject them. It was seen as appropriate to analyse applications of Heuristic Marketing Devices in practice and identify the limitations of the process.

The thesis rests on existing case studies of Heuristic Marketing Device applications (as published in marketing journals) as the source of information. The main reasons for this were that, firstly, there is a great amount of readily available information in the form of well analysed and documented case studies available. Secondly, case studies usually contain detailed information about why and how data was collected and measured. Thirdly, the use of existing case studies made the analysis of a larger number than would be otherwise possible.

Some of the case studies selected are of practical, and some of theoretical, nature. This allows for the assessment of the Heuristic Device process in practical situations

as well as the analysis of theoretical and therefore “ideal” application of Heuristic Devices.

5.2 CASE STUDY METHOD

This method is always useful when one wants to focus on a set of issues. Yin (1994) states that the method is of primary importance when one wants to distinguish characteristics of an extreme or infrequent situation, within which an organisation might find itself. Furthermore the method allows comparison and integrates the principle of replication. It allows the gathering of specific data to test alternative propositions.

Several questions were derived from the propositions introduced in Chapter 1. These question are in the figure below.

FIGURE 6: RESEARCH QUESTIONS

<u>Underlying problematic</u> <ul style="list-style-type: none">•Nature of the problem, e.g. theoretical vs. practical•Identification of the problem by researchers or by the research subject, e.g. the company?•Is problem definition, and therefore research objective, open or delimited and closed?•Is reality reduced to a small number of factors, or is the whole system analysed?
<u>Applied analysis</u> <ul style="list-style-type: none">•Which steps were applied in the research process?•Were quantitative or qualitative methods used?•Can the research process in general be classified as either positivistic or phenomenological?•Was internal knowledge utilised?
<u>Planning process</u> <ul style="list-style-type: none">•Which Heuristic Marketing Devices were applied?•Was the planning process customised to the actual situation, e.g. is there evidence, that the selection of the applied heuristic models was due to their appropriateness or were they selected out randomly or out of convenience? Furthermore, were Heuristic Marketing Devices modified for perfect fit in the special situation?
<u>Control and reflection</u> <ul style="list-style-type: none">•Is a reflection process included into the case study?•If not, is such a process recommended and sufficiently described?
<u>Continuous planning vs. on-off projects</u> <ul style="list-style-type: none">•Is the planning process a part of an ongoing research process which makes use of historical planning processes and simultaneously facilitates further projects?
<u>Participation of practitioners</u> <ul style="list-style-type: none">•Were practitioners involved in the planning process in order to utilise the existing expertise and experience and to support managerial learning to facilitate independent planning processes?
<u>Research outcome</u> <ul style="list-style-type: none">•Was generic knowledge produced which could, for instance, lead to new models?•Were relationships between variables of the specific situation isolated which can then be utilised in further projects, e.g. case-specific relationships which are individual to the industry, company, brand, consumer type etc.?•Was the outcome stored in a knowledge pool for further utilisation or was such a process recommended?
<u>Generation of new theories</u> <ul style="list-style-type: none">•Did the application of Heuristic Devices contribute or lead to new theories, e.g. in the form of new models?•If not, were existing theories "only" applied or also tested?

5.3 LIMITATIONS OF THE RESEARCH METHOD

The application of a non-positivistic procedure inherently cannot fulfil the requirements of that worldview. The confirmation of propositions, because of the qualitative nature of case study contradicts the 'falsification' criterion as proposed by Popper (1968). The selection of cases neither reflects the whole population of cases in which Heuristic Marketing Devices could be applied, nor is the selection randomly drawn out of the existing case studies published in the literature. The analysis of the sampled cases is aimed at providing a deep insight into the processes, rather than stet results, which can be quantified, tested, and published in graphs or tables.

The author did not interview mangers about their experiences and opinions. Although this option was considered, there were sufficient resources, in the form of the cases, which could be used. This allows the focus to be the given problem situation. In addition, during the research process it became obvious that the amount of information derived from the case studies was sufficient to justify the conclusions of the research. The cases, as published, however were not themselves seen (at the time) as vehicles in the pursuit of this thesis They were a distanced description of an engagement with managers that had pedagogic and instructional value. The published cases are no, therefore, rich descriptions of primary sources: they should be the viewed (in this context) as secondary sources.

CHAPTER



ANALYSIS OF CASES

6.1 INTRODUCTION

This chapter presents, from the published works, the application of the research questions (fig 6) to the cases.

6.2 BODDINGTONS

The underlying article is:

“The Possibility of Boddingtons – ‘the Cream of Manchester’s’ Entry Into the Dutch Market”, Cuomo, G. and Vignali, C., (1996) in: Management Decision, Vol. 34, Iss. 8, pp. 64-72, 1994

Description:

This theoretical case study focuses on the competitive and maturing beer market in the UK. The example of Boddingtons, a Manchester beer company, owned by Whitbread plc. is used to highlight the practical use of marketing tools to develop a strategic market entry in a foreign country. As a result, the entry into the Dutch market is suggested and several strategic and tactical measures were proposed.

Analysis

The underlying **problematic** areas of the case study are outlined subsequently. As a theoretical example, these problems were identified by academics.

- Increasing competition in the domestic (UK) beer market; Boddingtons was in the maturity stage of the PLC in the UK
- The company was already diversified and further diversification was seen as possibly having negative impacts
- The corporate objective was to follow a globalisation strategy
- Whitbread did not possess distribution facilities abroad; however, the company had connections to other breweries, e.g. Heineken, because it brewed foreign beers under licence in the UK.
- The Netherlands were seen as an opportunity to enter a foreign market with great cultural affinity, strong beer drinking habits, openness to trade and foreign products, minimal transport costs, and the chance to team up with Heineken, a Dutch brewery to utilise their distribution system.

The case study has the aim of evaluating the possibilities of entering the Dutch market combined with the development of an appropriate strategy. Therefore, the research area is predicated on the achievement of these goals. (In a more open way, for example, the assessment of all options of increasing sales in the UK and abroad could have been an aim, which would have more reflected an open approach research.)

The author furthermore perceives the applied research method as a reduction of the real world to certain variables, which were utilised in the planning process.

In the **analysis** part of the study, an internal and an external audit was performed. Thereby, the company's structure, basic information on the Netherlands, the Dutch beer market in general, and especially the competitors in this segment were analysed. Subsequently, a SWOT analysis was executed as a basis for strategic planning. No primary data was generated; rather secondary sources were utilised.

The **planning** process comprised the following Heuristic Marketing Devices:

- Ansoff Matrix
- Product Life Cycle
- Boston Consulting Group Matrix
- MIXMAP Model
- Marketing Mix

There was no evidence, however, that the applied models were selected according to an evaluation process to identify the most appropriate models. Furthermore, no customisation of the models to the specific situation was mentioned.

The case study ends with the proposal of recommendations for an appropriate strategy. Although **control and reflection** are not explicitly described, the authors argue that the market entrance into the Dutch market can be regarded as a “test” for the success of such specialised products. The authors therefore place emphasis on the control of the outcome of the project in order to evaluate further strategic moves to other countries following the aim of globalisation.

This also leads to the recognition of the case as belonging to an **ongoing process**. First, the strategy of entering one foreign country is evaluated and the outcomes monitored; this knowledge can be utilised in a next step to maximise the results of further market entry strategies.

The case study was termed a “theoretical example” and therefore, there was no **participation of practitioners** in any stage of the project.

The research outcome was in the form of practical recommendations concerning strategy and tactics. No new models were developed and no unknown generic relationships identified. Although, as highlighted above, the results of the action (based on the recommendations) are of importance for the further strategy, there was no description of how to store the data and make the findings utilisable.

6.3 DANCALL TELECOM

Based on the article:

“Dancall Telecom A/S in the UK Mobile Telephone Market”, Bennett, R., Vignali, (1996) C., in: Management Decision, Vol. 34, No. 8, pp. 6-16, 1996

The case study was described as an academic exercise by the authors. Although based on a real-world company and situation, the analysis was not performed in collaboration with Dancall Telecom.

The case study established the entry strategy for Dancall A/S to market mobile cellular telephones in the UK after being acquired by Amstrad UK.

Analysis

The **problems** of this case can be summarised as follows:

- As an independent subsidiary of Amstrad UK, Dancall was in a position to develop a marketing strategy to mass market a newly developed mobile cellular telephone.
- UK was chosen as the first country to enter.
- There was a growing interest in mobile telecommunications and the UK had the highest mobile phone user ratio in Europe.
- There was increasing competition in the mobile phone segments.
- The UK was recovering from a recession.

The aims of the case study were to establish an appropriate strategy and congruent tactics in order to fulfil long-term and a series of short-term objectives. The long-term ones were concerned with the development of batteries and the evaluation of Scotland as a manufacturing location. This time-horizon was two to three years for these aims.

The short-term objectives were aimed at twelve months and concerned with the introduction of a new mobile phone, the targeting of appropriate customer segments, and the cooperation with a service provider, and distribution possibilities.

Detailed aims for two planning periods framed the research project and therefore the openness of the study was limited. Furthermore, the use of models demanded the reduction of the real world to a limited number of criteria, which were utilised in the strategic planning process.

The **analysis** consisted of the following steps:

A marketing audit was performed, consisting of an external audit, covering the business and economic environment, the market and competitors, and an internal audit. Next, a SWOT analysis was executed. The market entry strategy was developed on the basis of the McDonald's marketing plan. The following Heuristic Marketing Devices were applied:

- Boston Consulting Group Matrix
- Ansoff Matrix
- McDonald's extension of the Ansoff Matrix
- Product Life Cycle
- George Day Matrix (Growth vector alternatives)
- Porter's Generic Strategies

The applied Heuristic Devices were part of the development of a marketing plan (due to McDonald). However, there was no **customisation** of the applied models and no explanation why the actual models were chosen, e.g. an evaluation of the appropriateness of different models.

The case study ends with the recommendation of strategies and objectives for Dancall. Due to the theoretical nature of the study, no control of the real outcome was possible. In addition, a process of **control and reflection** was not mentioned or suggested in the paper.

As stated above, the paper is an academic exercise and therefore, not part of a **continuous planning** process in which information gathered in historical planning processes is utilised while simultaneously subsequent planning is facilitated. Furthermore, **practitioners** were at no stage of the study involved in the process.

The **outcome** of the study was in the form of recommendations for strategy development. New models were not developed and generic relationships of the very Situation the company is in were not discovered. The utilisation of the research outcome in further projects was not mentioned. Finally, the storage of the information in an internal knowledge pool was not subject to discussion in the paper.

6.4 BASS PLC

“Bass Plc.”, D. Vrontis and C. Vignali. International Marketing Review, Vol 116. Iss. 4. (1998)

The focus of the research project can be assessed as restricted, due to the existence of a clear target: The establishment of Bass in the UK. Nevertheless, it must be mentioned that the study was part of a bigger project, which had the aim of ‘increasing sales’. However, the study does not reveal details about the ‘grand study’.

In order to allow for the use of models, reality was reduced to a limited set of information, which built the basis for the application of Heuristic Marketing Devices.

Analysis

The **analysis** part of the study contained the following steps:

Strategic planning

Identification of Bass as a PLC

Secondary research for industry information and information about target markets.

Perceptual mapping of the product with regard to substitute products

Market Segmentation, Targeting, Product definition, Positioning and assessment of the benefits.

SWOT analysis

Primary research in form of qualitative interviews with company managers (which were not explicitly analysed but contributed to the analysis)

The research process can therefore not be regarded as positivistic; rather the analysis of existing literature, combined with a small number of personal interviews with company managers was pursued. The interviews were not analysed with quantitative methods.

The internal knowledge was utilised to some extent in the analysis part; however, an estimation of the degree of usage cannot be given.

The **planning process** consisted of the application of the following Heuristic Marketing Devices:

- McDonald of costs / differentiation Matrix
- Product Life Cycle
- Boston Consulting Group Matrix
- MIXMAP Model
- Porter's Generic Strategies
- Marketing Mix

Finally, the selection and intensity of different Marketing Mix variables was determined by applying the MIXMAP methodology. Thereby, two distinct procedures were suggested which were focused on final customers and intermediaries.

There is no explicit description of why and how the applied models were selected. Although the models were not modified, a certain degree of customisation is obvious, e.g. in the development of distinct MIXMAP approaches for different customers.

Processes of **control and reflection** were not covered in the papers. The study ends with the recommendations for the launch and development of the product. However, the author suggests that the MIXMAP model could be used for controlling but the description of this process is absent.

The case study is not part of a continuous cycle but rather the detailed analysis of one solution to the company's problems as stated above. The general aim of the company's efforts is the increase of sales in order to minimise the gap between

expected and desired sales volume. As this, the study can be seen as a one-off project, evaluating the possibilities and procedure of one option to increase sales.

Practitioners were involved in the study. A small number of interviews were conducted with the management, which contributed to the analysis part of the study. However, the participation of the company in the planning process was not mentioned in the published works.

6.5 DAIRY CREST

Based on article:

“An Entry Strategy Report for Dairy Crest in Germany: A Theoretical Application of Matrix Modelling”, Vignali, C., Vrontis, D. and Vignali, M., in: British Food Journal, Vol. 101, Iss. 5/6, pp. 384-393, 1999.

This case study analyses the entry of Dairy Crest, a UK milk-product company, into the German market. The results are based on an internal and external analysis. The engagement of Dairy Crest in Germany was recommended as well as strategic and tactical suggestions were promulgated.

Analysis

The case study is practical in nature. The underlying **problems** are:

- Dairy Crest is a broadly based UK dairy food company and has significant positions within several sectors of the UK dairy market.

- The company, by applying a focused strategy direction, experienced significant increases in profits.
- The analysed 'fresh dairy' market had been the fastest growing dairy segment in the UK in the previous year.
- Germany, the largest country in Europe, had faced difficulties in the post-reunification time. These problems mainly affected the unemployment rate, tax situation, disposable income, etc.
- Simultaneously, popularity of health food increased and Germany rose to the third highest place on the per capita consumption of yoghurt in Europe.

The focus of the study is seen as closed and delimited due to the existence of a fixed aim, entry to the German market. For instance, no evaluation of other possibilities e.g. entry into other countries or increase of sales in the home country was pursued. Furthermore, in order to apply Heuristic Devices, a limited amount of data was used to reflect the whole system.

The **analysis** part comprised the following steps:

An internal analysis, covering the different brands of the company and the research and development efforts was executed. Subsequently, an external analysis was performed. The market structure, e.g. consumers, competition and the characteristics of the marketing mix elements in the German market were analysed. This step was followed by the formulation of a strategy to enter the German market, based on the findings of the external analysis.

In the **planning process** of strategy and tactic formulation, the following Heuristic Marketing Devices were applied:

- Ansoff Matrix
- Product Life Cycle
- Boston Consulting Group Matrix
- MIXMAP Model
- Marketing Mix

There was no customisation of the models to the actual situation; rather, the existing Heuristic Devices were applied theoretically. There is furthermore no detailed description, why the applied modes were chosen.

Due to the character of the study, a reflection process is not included. Recommendations covering the selection and implementation of appropriate strategic and tactical choices were forwarded; a control and reflection process was not described or suggested.

The study is not part of a cyclical process, and therefore does not build upon existing information. However, the future development for the next three years is proposed. This builds, although not explicitly stated, the basis for the control of the strategic and tactical measures

Due to the nature of the project, no company management was included into the planning process.

The results were recommendations for the further development of the company by entering the German market. Existing models were applied and no new relationships were discovered. A process of knowledge-storage and utilisation was not described in the study.

6.6 RUSSIA

Article:

“Internationalisation to Russia: A Case Study”, Vrontis, D. and Vignali, C., in: International Entrepreneurship-An Anthology, pp. 97-111, 1998.

This article analyses the strategic and tactical positioning of a company “Vinnie’s Pizzeria” when entering the Russian market. The findings of the paper consist of suggestions for the positioning of the company in several steps after the market entry.

:

- Vinnie’s Pizzeria is a large pizza restaurant chain worldwide, Pizza Hut being the first
- Following the collapse of the Soviet Union and the increasing liberalisation of the markets, Russia holds great potentials for western companies.
- An early establishment in Russia will allow for a big market share in the future, and can be the “door to neighbouring countries”.
- Pizza Hut was already present in the Russian market.

The research focus of this study is perceived as rather open in contradiction to the preceding studies. The difference in this case is, that the problematic was not the

general increase of sales and the existence of a defined solution but the opportunities of a recently opened country and the presence of a competitor. The researchers had therefore the freedom to solve the problem – establish Vinnie’s in Russia – in any way and were not bound to certain aims.

However, in order to apply Heuristic Devices, a reductionist approach was used.

Analysis

The analysis part encompassed the steps “environmental scanning”, mainly consisting of a PEST analysis, a competitor analysis, and a SWOT analysis.

The Heuristic Marketing Devices applied in the strategic **planning** process were:

- Product Life Cycle
- Boston Consulting Group Matrix
- MIXMAP Model
- Marketing Mix

There was no description of the selection process of the applied Heuristic Devices. However, due to the anonymous nature of the case, the selection and customisation of models to individual fit does not seem to be of necessity.

Furthermore, the steps control and reflection, were not included in the paper and due to - anonymity -, the study did not belong to an ongoing process feeding into the following cycle and simultaneously being fed by the preceding one.

The research results were in form of recommendations for the strategic and tactical measures undertaken by Vinnie's in order to successfully enter the Russian market and to maintain growth.

6.7 HÄAGEN DAZS

Corresponding article:

“The MIXMAP Model for Häagen Dazs Ice Cream”, Vrontis, D. and Vignali, C., in: Management Case Quarterly, pp. 8-25, and 2000.

This case study relates to Häagen Dazs's strategic and tactical positioning in the UK market, especially the Manchester area, in the context of the company's aims regarding market share. The research consisted of secondary and primary research, which consisted of consumer questionnaires and two surveys within the Häagen Dazs Company.

Analysis

The underlying **problems** of the study can be summarised as follows:

- Häagen Dazs was unknown in the UK market until its launch in 1989, although being market leader in the US
- Until 1994, Häagen Dazs had acquired a 35 per cent market share in the UK, being the market leader in the fast growing market of bulk ice cream
- The company's aims were to maintain or to further increase market share by the end of the year 2000

- To achieve this aim, an appropriate strategy needed to be selected and congruent tactics had to be developed

Häagen Dazs had followed a “whisper campaign” in the first year after the launch and distribution was limited to selected outlets such as Harrods. Subsequently, several more Häagen Dazs shops and distribution outlets in supermarkets, cinemas and other shops were added. The pint-size tub, which was in the centre of interest, is characterised by high quality and a premium price in the same range as other premium brands.

The analysis part of the study consisted of the following steps:

Primary Research – A consumer questionnaire with 93 respondents was pursued to investigate how the consumer views the company and product. Furthermore, Häagen Dazs completed two company questionnaires, in order to establish how the company positions their product and in order to identify the variables Häagen Dazs emphasises.

The sampling method used for the consumer questionnaire was characterised as non-probability, convenience sampling. The authors emphasised the generation of both quantitative and qualitative information; this was even seen as essential for the targeted outcome.

Secondary Research – Company information and general market information was reviewed to analyse trends in the ice cream industry and up and coming competition.

The research focus of this study is perceived as open. The aim was to develop appropriate strategies to increase sales and market share. Thereby, no restrictions or predetermined aspects existed. However, in order to use models, a reductionism approach was pursued.

In the **planning** process, the following Heuristic Marketing Devices were applied:

- Product Life Cycle
- Marketing Mix
- Boston Consulting Group Matrix
- Porter's Generic Competitive Strategies
- MIXMAP Model

The planning consisted of identifying the actual position of Häagen Dasz's products in the Heuristic Devices, e.g. the Boston Consulting Group Matrix. Next, the tactical position of the brands was located on tactical matrices (e.g. Price Level/Value for Money, etc.), as perceived by the consumers. This outcome was compared to the positioning of the products, as perceived by the company management. This allowed for the identification of differences between perceived and expected positioning of the brands on a tactical level. Subsequently, recommendations were forwarded in order to achieve congruence between first, the consumers' and company's perceptions and second, the aspired strategy in order to achieve the set goals.

The reasons for selecting the applied Heuristic Marketing Devices in the actual situation were not explained. Rather, the general usefulness of the tools in strategic

Planning processes was emphasised. The models were not customised, but differences between the perceived and expected position of the brands were analysed which reflects a certain amount of customisation because the “standard” process of applying Heuristic Devices does not include this procedure.

The case study closes with the proposition of recommendations; therefore, a control and reflection step is not included. Neither was such a step suggested or described.

The case study does not state if the described planning process is part of a continuous cycle. However, the author concludes, due to the mentioned time-horizon of six years, the planning process is a one-off project. Furthermore, no information from previous planning processes was utilised.

Practitioners were involved in the planning process merely as information source, in order to identify the expected product positioning and to find out about the aims of Häagen Dazs.

6.8 SUMMARY

A full analysis of all the cases can be seen in appendix D.

The steps taken in the analysis part of the cases varies strongly. All the cases had an application of analistic methods, SWOT including, internal and external audits.

The planning process was characterised by the use of a variety of Heuristic Marketing Devices, which were in two cases applied in order to develop a marketing plan. The analysis of the planning process showed that in no case were existing models modified, or customised, to the specific situation. Furthermore, in all cases the following Heuristic Devices: PLC, BCG, MIXMAP, and Marketing Mix were applied. None of cases contains an explanation why these models were selected. This leads to the conclusion that the selection process of Heuristic Marketing Devices for a specific situation follows individual preferences , or “convenience” rules, rather than rigorous assessment of advantages and disadvantages. Nevertheless, in two cases, (the Dancall case 5 vol. II and The Bass case 9 vol. II) the application of the models differed from the “standard” method in order to consider specific circumstances.

No case study contained a control, or reflective, step, and the paper do not include a description of such a process. Only in the “Boddingtons’s” case, is the proposed strategy describes as a “test” for further market entry projects.

The cases, as presented in these published outputs are (effectively) descriptions of practice as encountered. They are distanced descriptions prepared as illustrative cases for teaching purposes. As such, they should not be interpreted as rich and personal research accounts of the episodes to which they refer – they were not published with this as their aim. Indeed, given the desire of many participants for both personal anonymity and an element of “disguise” for company situations, they would not have been publishable in another form as “rich” layered descriptions. As descriptions of situations and of management reactions to them, the cases collectively however contribute to knowledge of managerial behaviour in marketing.

This form of published output introduces a distance between the action research approach pursued with managers in individual companies and its representation and analysis in this thesis.

The action research standpoint informed the perspective and processes adopted with managers. It was not reflected in the cases studies as outputs. The other published work included in this thesis deal more centrally with theoretical concerns and action perspectives. It is the accumulation of experience and the development of processes that provided the bases for the major contribution of knowledge.

7.1 EXAMINING THE RESEARCH PROPOSITIONS

The preceding analysis of the case studies combined with the information gained in the literature review builds the basis for the testing of the propositions, which were.

FIGURE 7: EVALUATION OF PROPOSITIONS

	supported	Rejected
Primary Propositions A The process of applying Heuristic Devices is not optimal	✓	
Secondary Propositions A₁ Projects are usually one-offs	✓	
Secondary Propositions A₂ Research area is mostly delimited Reductionism is applied rather than systems view	✓	
Secondary Propositions A₃ There is a disclosure of the research subject Therefore, internal knowledge is not utilised and there is no intra-firm knowledge creation	✓	
Secondary Propositions A₄ There is no, or only limited customisation of the research process to the actual situation	✓	
Primary Propositions B The outcome of Heuristic Device - projects is sub optimally used	✓	
Secondary Propositions B₁ Observation and reflection are not emphasised	✓	
Secondary Propositions B₂ Knowledge is not integrated into intra-firm expertise	✓	
Primary Propositions C There is no, or only limited, contribution to theory generation	✓	

The primary proposition A is accepted because none of the secondary proposition (A_1 – A_4) was rejected. The results in more detail are:

A_1 : The analysis revealed that the Boddington's case is not based on preceding studies but builds the basis for further analysis. Furthermore, the Häagen Dazs case is part of a 'grand study' but no reference to this is given. All other cases are one offs. Therefore, B_1 is accepted.

A_2 : Four out of six case studies were perceived as 'delimited' and not possessing an open focus. Furthermore, in all studies, reductionism was pursued, mainly in order to use Heuristic Marketing Devices. Therefore, proposition B_2 is accepted.

A_3 : The analysis showed that only in three cases practitioners were involved. However the participation of these was merely as information deliverers and in no case there was the involvement of management into the planning process. This leads to the acceptance of B_3 .

A_4 : There was only limited customisation of the research process and the applied tools in one case. However, in the other studies, this was not the case and no detailed description of the selection process of Heuristic Devices was included. Therefore, B_4 was accepted.

Primary proposition B was accepted, due to the acceptance of C_1 and C_2 .

B₁: Only one case, Boddingtons, referred to the control of the outcomes, but did not describe this process in detail. All other cases did not include reflection and control. Therefore, C₁ can be accepted.

B₂: This proposition is accepted because in no case the storage of knowledge and the integration of information into an intra-firm knowledge pool was mentioned.

Finally, proposition C was accepted.

In no case, generic knowledge, or new relationships were discovered. Furthermore, no new theory was generated. All case studies consisted of the application of existing models,

In summary, it can be concluded that the process of applying Heuristic Devices has several weaknesses according to the accepted proposition. Therefore, the aim of the thesis is to develop a modelling approach, which would minimise the weaknesses of the current Heuristic Devices application by integrating the Action Research methodology.

7.2 DEVELOPMENT OF AN REVISED MODEL

Given the outcomes experienced in the case studies, an expanded model is proposed. The aim of this model is to overcome the limitations of the current process of application of Heuristic Marketing Devices, by integrating parts of action research methodology.

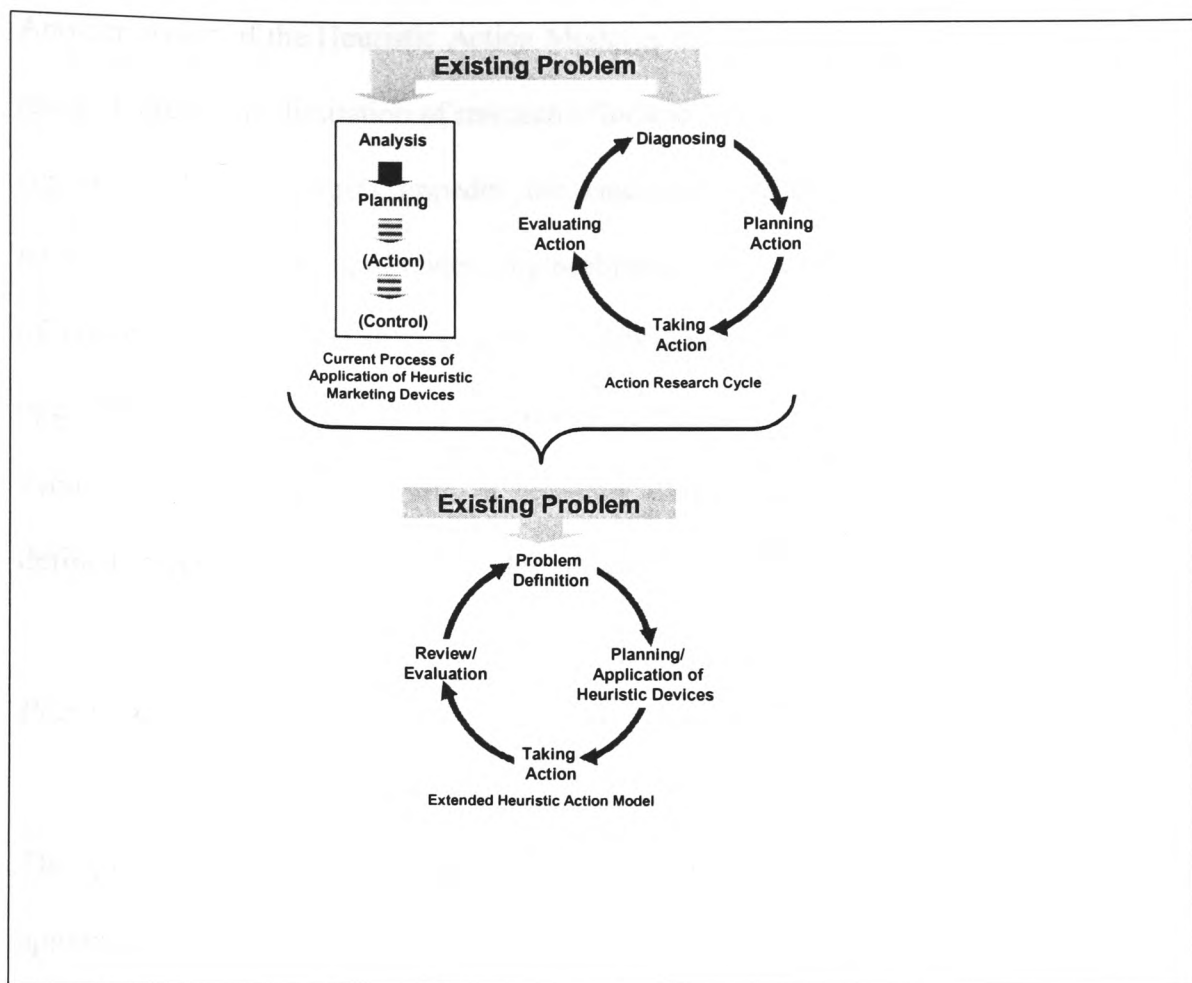
The formal application of the revised model, as distinct from to the application of current Heuristic Marketing Devices and Action Research is discussed. The changes to the current model and the advantages of the revised method are outlined.

The process of applying Heuristic Action Devices

A process of analysis and planning often follows the applications of Heuristic Marketing Devices. Although included in the original model, the steps, 'action' and 'control' are not performed in practice. A 'real world' problem usually exists and triggers the research process. Therefore, these action and control steps are shown in parentheses in the revised figure.

The revised model, ("Heuristic Action Device") builds on the original model, using the experience and analysis arising from the study. The existence of a real world problem remains the starting point, followed by the analysis of the situation, the planning of action facilitated by the existent marketing model, taking action and finally reviewing and controlling the taken action and the outcome. These steps are, analogous to an action research methodology, repeatedly applied. Therefore, a cycle, or spiral emerges which leads to continuous change. The differences and similarities in the process are highlighted in the subsequent figure:

FIGURE 8: PROCESS OF THE HEURISTIC ACTION MODEL



Content of the Revised Heuristic Action Model

This chapter discusses the revised model identifying the advantages of the approach. These advantages will be identified within the steps of the process: Analysis, Planning, Change/Action, and Reflection. In addition, the peculiarities of a cyclical process, the language used , and the characteristics of the stored knowledge will be discussed.

Analysis

Another aspect of the Heuristic Action Model is the renunciation of strictly delimited research areas. The limitation of research efforts to certain topics and the fulfilment of rigorously defined targets impedes the emergence of unusual solutions and can hamper the identification of underlying problems which in turn can lead to the curing of symptoms rather than the resolution of actual problems. The incorporation of the openness of Action Research into the Heuristic Action methodology is supported. The cyclical procedure of this form of research allows starting off with very broadly defined topics and the step-by-step identification of the real problem.

Planning

The planning process of the Heuristic Action Model is characterised by the application of marketing models, such as the BCG or MIXMAP model. This is seen as preferable to the less structured action research methodology, which does not give the practitioner defined 'guidelines' concerning the planning of action in the marketing context. In addition, the application of established, structured, and well-analysed models facilitates the control of outcomes and reflection on the process, which are essential for organisational learning and change.

The participation of the research subject, e.g. the company's management is seen as vital for the long-term success of this model. The involvement of the practitioner is thought likely to increase the practical and academic value of the research outcome, because internal expertise, and experience can be utilised. The value of practitioner

knowledge is central to the action research process and is one of the major sources of information.

The participation of the research subject in the planning process facilitates the emancipation of the practitioners from academics and consultants and supports their independence. The key to the autonomous execution of research and planning processes is the creation of an internal knowledge base. This base consists of experiences of a company's management gained in the participation of research processes. The creation of written reports helps to make this knowledge accessible to the whole of management and prevents the restriction of knowledge to the people directly involved. Although the company may depend on outside consultants or academics the first time, the subsequent application of the Heuristic Action methodology increases internal knowledge and eventually leads to a point, where the company is familiar with the adequate tools and processes. From this stage on, a company can independently pursue research and, incrementally, with every project and every research cycle, enhance the outcome while minimising the research efforts. The company is also able to refine the marketing models with every research cycle. The detailed reporting of every modification and the corresponding results as well as the continuous planning process can be used to tailor existing models to a company's particular situation.

The existence of an accessible internal knowledge base, which contains detailed information about historical planning processes, can help to avoid the same mistakes being made repeatedly. The possibility of examining previous successes (and especially failures) can help to identify mistakes, which can be avoided in future.

The author also believes that the “openness” of the planning process itself is of importance for success in planning. The ability of practitioner researchers to constantly redefine problems, as well as aims (because of information gained in preceding research cycles) enables them to identify the key issues. The expansion of the openness to the planning process allows the practitioner and researchers to consider and implement unusual solutions, which might possibly be superior because of their uniqueness.

The author recognises difficulties in realising a systems-approach when simultaneously applying models, which inherently demand the reduction of data. It is the task of the Heuristic Action Researcher to adopt a systems view whilst applying limited framework both in order to ‘feed’ the models and take a holistic view of the situation.

Change/Action

Whereas change itself is not well covered in the standard planning process, the monitoring and reporting of actions is of paramount importance. The monitoring of actions gives the practitioner and the researcher the possibility of evaluating the planned strategy and assessing, for instance, which methods are applicable and which practical aspects are contextually relevant. In addition, the emerging outcomes facilitate reflection. The researchers can abstract actions, (which leads to change during the process) if difficulties occur, rather than either follow the planned path and analyse the problems afterwards or change the plan dynamically.

The constant recognition of interdependencies and peripheral issues increases the knowledge of the researchers, e.g. the company's managers. Furthermore, interdisciplinary communication is necessary which contributes to a healthy interaction between different groups of a company.

Reflection

As outlined above, the monitoring and reporting of the analysis, planning, and action processes, derived from Action Research, is a paramount feature of the Heuristic Action methodology.

The reflection process is strongly facilitated by the existence of detailed information about the whole research process, which enables practitioners and researchers to recognise relationships between measures and outcomes. Nevertheless, it seems difficult to determine which relationships are generic and which are particular to the case. The repeated execution of the research process can, however, help to detect the genus, and therefore facilitate the extrapolation from the specific case. The reported reflective process completes the specific Heuristic Action cycle and the resulting output is a contribution to the internal knowledge base. The existence of completely described cycles, or cases, helps to understand the cause and effect relationships prevalent in the company's environment and is, as such, the basis for further, more successful planning and action.

Cyclical process

The knowledge and experience gathered in one cycle can be applied in the following. Therefore, an approximation to an optimal solution takes place, rather than the search

for 'the one best solution', which can be achieved in one research process. The recognition of the dynamic and volatile environment demands a continuing adjustment of marketing measures. A dynamic process, grounded on preceding cycles, reflects this demand for repeated analysis and change.

The company may have the possibility of applying action in steps, and monitoring the effects of each step, in cycles.

7.4 FINAL CONCLUSIONS AND OUTLOOK

In this thesis, it has been argued that the process of applying Heuristic Marketing Devices is sub optimal. Thereby, secondary literature was analysed and it was revealed that marketing theory, strategic planning, and the use of Heuristic Marketing Devices has been subject to substantial criticism. Based on this literature research, propositions were developed in order to test several aspects of the application process of Heuristic Devices, which could not be confirmed by reviewing the existing literature.

The assessment of the propositions uncovered several limitations to the current application process of Heuristic Marketing Devices. Based on these findings, an extended model has been developed, combining aspects of Action Research and the current Heuristic Devices process.

The contribution to knowledge in this thesis rest on

- The identification of deficiencies in the current application of marketing heuristics.
- The adaptation of the processes used by managers in the heuristics action model.
- The development of the revised heuristic action model
- The interpretation of marketing heuristics in the action research process.

7.5 FUTURE RESEARCH AGENDAE

I believe that future areas of research can be developed from this Thesis and they are listed in no order of preference.

- Once the Heuristic Mix Mapping Modelling approach has been explained to practitioners, how is the approach employed and to the satisfaction of whom?
- Testing and evaluation of Mix Mapping to explore the validity in a Management context.
- Does Mix Mapping succeed only in the authors hands and how constant are the outcomes when used by different consultants?
- What modifications to the variables and elements of Mix Mapping would practitioners change in various market environments?
- How effective is the methodology if used in SME's?
- Exploration of differing interpretations by business customers as compared to consumers.

- Trials in other business contexts for example the public sector or social services.

REFERENCES

- Agyris, C.; Putnam, R.; Smith, D. (1985). *Action Science: Concepts, Methods, and Skills for Research and Intervention*. San Francisco: Jossey-Bass.
- Agyris, C.; Schön, D. (1980). *Organizational Learning: A Theory of Action Perspective*. Massachusetts, Reading: Addison-Wesley Publishing.
- Agyris, C. Putnam, R & Smith, M. C (1985) Action Science, Concepts and Methods. Jossey Bass. USA
- Ansoff, H.I. (1957) 'Strategies for Diversification', Harvard Business Review, September-October
- Armstrong, J. Brodie, S (1994) 'Portfolio Planning Models' *The International Journal of Research in Marketing*, Vol. 11 pp.73-84, 91-93.
- Arndt, J. (1985). On Making Marketing Science more Scientific: Role of Orientations, Paradigms, Metaphors, and Puzzle Solving. *Journal of Marketing*, Vol.49, pp. 11-23.
- Baker, M. J. (1990). *Marketing Strategy and Management*. London: Macmillan Education Ltd.
- Bennett, R.; Vignali, C. (1996). Dancall Telecom A/S in the UK Mobile Telephone Market. *Management Decision*, Vol. 34, No. 8, pp. 6-17.
- Bennett, A. (1997) 'The 5 Vs, a perspective of the marketing mix' Marketing Intelligence Vol. 15, 1ss3.
- Beer, M. Eisenstadt, R. Spector, B. (1990)'Why change programmes' *H.B.R.* Nov/Dec pp158-166.
- Bierly III, P.E.; Kessler, E.H.; Christensen, E.W. (2000). Organizational Learning, Knowledge and Wisdom. *Journal of Organizational Change Management*, Vol.13, No.6, pp. 595-618.
- Bhattacharya, B.; Cowan, J.; Weedon, E. (2000). Action Research: a Means to more effective Teaching and Learning. *Innovations in Education and Training International*, Vol.37, No.4, pp. 314-322.
- Borden, N. (1964)'The concept of the mix' Journal of Advertising Research June 1964, pp2-7.
- Borden, N. (1942) 'The effects of Advertising' Irwin, USA.
- Brownlie, I. (1999) 'Rethinking Marketing' Sage. UK.

Burnes, B. (1996). No such thing as ... A "one best way" to manage Organizational Change. *Management Decision*, Vol.34, No.19, pp. 11-18.

Byrne, J.A. (1990). Is Research in the Ivory Tower "fuzzy, irrelevant, pretentious" *Business week*, 29. Oct., pp. 50-52.

Calder, B. Phillips, L. Tybout, A. (1981) 'Designing research for application' *Journal of Consumer research*, Vol 8, Sept, pp197-207.

Carneiro, A. (2001). A group decision support system for strategic alternatives selection. *Management Decision*, Vol.39, No.3, pp. 218-226.

Coghlan, D. (2001). Insider Action Research Projects: Implications for Practicing Managers. *Management Learning*, Vol.32, pp. 49-60.

Coghlan, D.; Brannick, T. (2001). *Doing Action Research: In your own Organisation* London: Sage Publications.

Collier, D. [1991 'New marketing mix stresses' *Journal of Business Strategy* March 1991 pp42-45

Culliton, J. (1947) 'The Management of Marketing Costs' Harvard University

Cuomo, G.; Vignali, C. (1996). The Possibility of Boddingtons - 'The Cream of Manchester's' Entry into the Dutch Market. *Management Decision*, Vol.34, No.8, pp. 64-72.

Deshpande, R. (1983). "Paradigms Lost": On Theory and Method in Research in Marketing. *Journal of Marketing*, Vol.47, Fall, pp. 91-110.

Dhalla N, Yusepeh.S. (1976) 'Forget the Product Life Cycle' *Harvard Business Review*. Feb/March. Vol 54. Pp.102-3.

Dickens, L.; Watkins, K. (1999). Action Research: Rethinking Lewin. *Management Learning*, Vol.30, No.2, pp. 127-140.

Dixon, D.F.; Wilkinson, I.F. (1980). An Alternative Paradigm for Marketing Theory. *European Journal of Marketing*, Vol.18, No.3, pp. 40-50.

Easterby-Smith, M.; Thorpe, R; Lowe, A. (1999). *Management Research, An Introduction*. London: Sage Publications Ltd.

Easton, G. (1988). Competition and Marketing Strategy. *European Journal of Marketing*, Vol.18, No.6, pp. 90-103.

Eden, C.; Huxham, C. (1996) Action Research for Management Research. *British Journal of Management*, Vol.7, pp. 75-86.

Fifield, P. & Gilligan, C. (1996) Strategic Marketing Management Butterworth-Heinemann UK.

Giddens, A. (1977). *Studies in Social and Political Theory*. London:

Grantham, L. M. (1997). The Validity of the Product Life Cycle in the High-Tech Industry. *Marketing Intelligence and Planning*, Vol.15, No. 1, pp. 4-10.

Greenley, G.E. (1989). An Understanding of Marketing Strategy. *European Journal of Marketing*, Vol.23, No.8, pp. 60-103.

Greenwood, D., Levin, M. (1998). *Introduction to Action Research: Social Research for Social Change*. London: Sage Publications Ltd.

Griffin, T. (1989). Marketing Planning: Observations on Current Practices and Recent Studies. *European Journal of Marketing*, Vol.23, No.12, pp. 21-35.

Gronhaug, K.; Olson, O. (1999). Action Research and Knowledge Creation: Merits and Challenges. *Qualitative market research: An International Journal*, Vol.2, No.1, and pp. 6-14.

Gronroos, C. (1992) 'Quo Vadis Marketing' Swedish School of Economics pp109-124.

Gronroos, C. (1994) 'From the Mix to relationship marketing' Management Decision Vol. 32 Iss2 pp4.

Hackley, C.E. (1999). Tacit Knowledge and the Epistemology of Expertise in Strategic Marketing Management. *European Journal of Marketing*, Vol.33, No.7/8, pp. 720-735.

Hammersley, M. (1995). *The Politics of Social Research*. London: Sage Publications Ltd.

Harris, L.C. (1996). The Application of Piercy and Morgan's Dimensions of Marketing Planning. *Management Decision*, Vol.34, No.3, pp. 35-40.

Hill, J.; McGowan, P.; Maclaran, P. (1998). Developing Marketing Planning Skills: combining Theory and Practice. *Journal of Marketing Practice: Applied Marketing Science*, Vol.4, No.3, and pp. 69-84.

Hunt, S. D. (1990). Truth in Marketing Theory and Research. *Journal of Marketing*, Vol.54, pp. 1-15.

Hunt, S. D. (1994). On Rethinking Marketing: Our Discipline, our Practice, and our Methods. *European Journal of Marketing*, Vol.28, No.3, pp. 13-25.

Jankowicz, A. (1999)] Business Research Projects Thomson UK. Pp179-185

Jüttner U.; Wehrli, H.P. (1994). Competitive Advantage: Merging Marketing and the Competence-based Perspective. *Journal of Business and Industrial Marketing*, Vol.9, No.4, pp. 42-53.

Kotler, P. (2000). *Marketing Management: The Millennium Edition*. London: Prentice Hall.

Lackman, C.; Saban, K; Lanasa, J. (2000). The contribution of Market Intelligence Tactical and Strategic Business Decisions. *Marketing Intelligence and Planning*, Vol.18, No.1, pp. 6-9.

Lane, C. (1988) 'People and the marketing mix' Marketing Intelligence and Planning Vol6 iss2, pp39-40

McDonald, M.H.B. (1992). Strategic Marketing Planning: A State-of-the-Art Review. *Marketing Intelligence and Planning*, Vol.10, No.4, pp. 4-22.

McDonald, M.H.B. (1996). Strategic Marketing Planning: Theory, Practice and Research Agendas. *Journal of Marketing Management*, Vol.12, pp. 5-27.

McDonald, M.; Brown L. (1994). Strategic Marketing Planning. In: Baker, M.J. Ed. *The Marketing Book*. 3rd ed. Oxford: Butterworth-Heinemann Ltd, pp. 85-108.

McCarthy, J. (1964) Basic Marketing a Management Approach Irwin USA.

McLaughlin. H & Thorpe. R (1993) "Action Learning – A Paradigm" A British Journal of Management Vol 4, pp19-27

McLaughlin, H. (1996). *Silences in Management Research: Challenges From the 'Margins'*. PhD Thesis. Manchester Metropolitan University.

McLaughlin, H.; Thorpe, R. (2000). *All in Bain: Lost Voices in the Development of Management Research*. Manchester: Manchester Metropolitan University.

McNiff, J.; Whitehead, J. (2000). *Action Research in Organisations*. London: Routledge.

Mintzberg, H. (1979). An Emerging Strategy of "Direct Research". *Administrative Science Quarterly*, Vol.24, pp. 582-589.

Mintzberg, H. (1994a). The Fall and Rise of Strategic Planning. *Harvard Business Review*, Jan.-Feb., pp. 107-114.

Mintzberg, H. (1994b). *The Rise and Fall of Strategic Planning*. New York: Prentice Hall

Nicholls, J. (1995). The MCC Decision Matrix: A Tool for Applying Strategic Logic to Everyday Activity. *Management Decision*, Vol.33, No.6, pp. 4-10.

O'Driscoll, A.; Murray, J.A. (1998). The Changing Nature of Theory and Practice in Marketing: On the Value of Synchrony. *Journal of Marketing Management*, Vol.14, pp. 391-416.

Palys, T.S. (1997). *Research Designs: Qualitative and Quantitative Perspectives*. Canada: Harcourt Brace & Company.

Peters, M.; Robinson, V. (1984). The Origins and Status of Action Research. *The Journal of Applied Behavioural Science*, Vol.20, No.2, pp.113-124.

Popper, K. R. (1968). *The Logic of Scientific Discovery*. London: Hutchinson.

Proctor, R.A.; Kitchen, P.J. (1990). Strategic Planning: An Overview of Product Portfolio Models. *Marketing Intelligence and Planning*, Vol.8 No.7, pp. 4-11.

Proctor, T.; Ruocco, P. (1992). Generating Marketing Strategies: A Structured Creative Decision Support Model. *Management Decision*, Vol.30, No.5, pp. 50-53.

Rafiq, M. (1995) 'Using the 7Ps as a generic marketing mix' Marketing Intelligence and Planning Vol. 3, Iss9, pp4-15

Rapaport, R.N. (1970). Three Dilemmas in Action Research. *Human Relations*, Vol.23, No.6, pp. 499-513.

Reichardt C.S.; Cook, T.D. (1979). Beyond Qualitative versus Quantitative Methods. In: Cook T.D.; Reichardt, C.S., Eds. *Qualitative and Quantitative Methods in Evaluation Research*. Beverly Hills, CA: Sage, pp. 7-32.

Ritchie, B.; Brindley, C. (2001) *The Information-Risk Conundrum*, *Marketing Intelligence and Planning*, Vol.19, No.1, pp. 29-37.

Saker, J.; Smith, G. (1997). Towards Culture-Driven Strategic Marketing Planning: The Use of Participatory Action Research. *Journal of Strategic Marketing*, Vol. 5, pp 127-141.

Sheth, J. (1988) Marketing Theory Wiley N.Y., USA.

Shimpock-Vieweg, K. (1993) 'Promotion in the mix' Legal Assistant Today Vol11, Iss2, pp126-129

Simon, H. (1994). Marketing Science in the Ivory Tower. *Business Strategy Review*, Vol. 5, No.1, pp. 29-38.

Susman, G.I.; Evered, R.D. (1978). An Assessment of the Scientific Merits of Action Research. *Administrative Science Quarterly*, Vol.23, pp. 582-603.

Turnbull, P. [1987] Interaction in Marketing' International Marketing Review Vol4, Iss4, pp7-19.

Van Mesdag, M. (1998). Viewpoint: An Unscheduled Meeting with Action Research. *Marketing Intelligence and Planning*, Vol.16, No.7, pp. 443-445.

Van Waterschoot, W. (1992) ' The 4P classification' Journal of Marketing Vol. 56 pp83-93

Van Waterschoot, W. (2000). The Marketing Mix as a Creator of Differentiation. In: Blois, K., Ed. *The Oxford Textbook of Marketing*. Oxford: Oxford University Press, pp. 183-210.

Vignali, C. Davies, B. (1994) 'The Marketing Mix Redefined.' *Management Decision* Vol 32, Iss8.pp. 11-17.

Vignali, C.; Schmidt, R.A.; Davies, B.J. (1994). Heuristic Devices for Managers: Introducing the MIX MAP Model. *MEG Conference*, University of Ulster, p. 965

Vignali, C.; Vrontis, D.; Vignali, M. (1999). An Entry Strategy Report for Dairy Crest in Germany: A Theoretical Application of Matrix Marketing. *British Food Journal*, Vol.101, No.5/6, pp. 384-393.

Vrontis, D.; Vignali, C. (1999). Internationalisation to Russia: A Case Study. *International Entrepreneurship - An Anthology*, pp. 97-111.

Wallace, W.I. (1971). *The Logic of Science in Sociology*. New York: Aldine de Gruyter.

Warmington, A. (1980). *Action Research: Its Methods and Implications*. Manchester: Manchester Business School and Centre for Business Research.

Wendt, F. (1994). *An Analysis of Tran Technology's Marketing Concept: The Product Launch of the Quick Card System in the UK Market with Consideration of European and International Goals*. Unpublished Thesis, Manchester Metropolitan University.

Wensley, R. Barton, A. (1988) 'Readings in Strategic Marketing' Dryden Press, USA.

Wilson, R. M. S.; Gilligan, C. (1997). *Strategic Marketing Management: Planning, Implementation and Control*. Oxford: Butterworth-Heinemann.

Yin, R.K. (1994) 'Case Study-research & design' Sage, USA

Zuber-Skerritt, O. (1996). Emancipator Action Research for Organisational Change and Management Development. In: Zuber-Skerritt, O., Ed. *New Directions in Action Research*. London: The Falmer Press, pp. 83-104.

APPENDIX A

“Contents sheet of Vol. II”

CONTENTS

	Page no.
1. "Branding and the Marketing Mix Examined in a Benetton Franchise", <u>The Journal of Textile Institute</u> Vol.89, Iss.2, pgs. 149-169, ISBN: 0400-5000, C. Vignali (1999)	1-32
2. "Benetton's Brand Position Explored and Developed through Nicosia's Consumer Behaviour Model", <u>The Journal of Textile Institute</u> Vol.90, Iss.2, pgs. 48-60, ISBN: 0400-5000, C. Vignali (1999)	33-52
3. "The Marketing Mix Redefined and Mapped: Introducing the MIXMAP Model", <u>Management Decision</u> Vol.32, Iss.8, M.C.B., U.K., pgs. 11-17, ISBN: 0025-1747, C. Vignali & B. Davies (1994)	53-65
4. "The Possibility of Boddingtons – 'the cream of Manchester's' Entry Into the Dutch Market", <u>Management Decision</u> Vol.34, Iss.8, M.C.B., U.K., pgs. 64-72, OSBN: 0025-1747, G. Cuomo & C. Vignali (1996)	66-89
5. "Dancall Telecom A/S in the UK Mobile Telephone Market", <u>Management Decision</u> Vol.34, Iss.8, M.C.B., U.K., pgs. 6-17, ISBN: 0025-1747, R. Bennett & C. Vignali (1996)	90-120
6. "The MIXMAP Model for International Sport Sponsorship", <u>European Business Review</u> Vol.97, Iss.4, M.C.B., U.K., pgs. 187-194, ISBN: 0955-534X, C. Vignali (1997)	121-135
7. "Introductory Cases", <u>British Food Journal</u> Vol.100, Iss.2, M.C.B., U.K., pgs. 49-58, ISBN: 0007-070X, L. Dana & C. Vignali (1999)	136-158
8. "An Entry Strategy Report for Dairy Crest in Germany: A Theoretical Application of Matrix Marketing", <u>British Food Journal</u> Vol.101, Iss.5/6, M.C.B., U.K., pgs. 384-393, ISBN: 0007-070X, C. Vignali, D. Vrontis & M. Vignali (2000)	159-181
9. "Bass PLC", <u>International Marketing Review</u> Vol.16, Iss.4/5, M.C.B., U.K., pgs. 276-391, ISBN: 0265-1335, D. Vrontis & C. Vignali (1999)	182-209
10. "Internationalisation to Russia: A Case Study", <u>International Entrepreneurship – An Anthology</u> , N.T.U. Development Centre, Singapore 639798, pgs. 97-111, ISBN: 981-04-16423, D. Vrontis & C. Vignali (1999)	210-226
11. "The MIXMAP Model For Häagen Dazs Ice Cream", <u>Management Case Quarterly</u> , pgs. 8-25, ISBN: 1354-5906, D. Vrontis & C. Vignali (2000)	227-264

CONTENTS

	Page no.
1. "An Action Research Approach for Internationalising small business", <u>The Edward Elgar handbook of research</u> To be published 2002/3. C Vignali	1-15
2. "McDonalds and the Marketing Mix", <u>The British food Journal</u> Vol. 103, Iss 2, pgs 97-11, ISBN: 007-070x, C. Vignali (2001)	16-32

APPENDIX B

“Front Sheet of Published Articles and Case Studies”

Branding and the Marketing Mix Examined in a Benetton Franchise

C. Vignali

Department of Retailing and Marketing, Faculty of Management and Business, Manchester Metropolitan University, Manchester 1, England

Received 18.9.1997 Accepted for publication 8.5.1998

The retail-marketing-mix elements previously highlighted by McGoldrick are merchandise, service, price, quality, fashion, branding, store atmosphere, and location.

These are the key areas for investigation, and various research techniques are used to highlight their operational position within the franchisee's offer to the consumer, especially within a Benetton franchise.

1. INTRODUCTION

The need to establish the existence of the Benetton Brand *vis-à-vis* non-branded products sold within the confines of a Benetton retail outlet is paramount for Benetton and an essential factor that further extends the essence of consumers' perceptions. The fortuitous position of being able to examine all retail sales within such a franchise added value to the exercise. The company was C.S.V. Trading Ltd, 8 Fleet Walk, Burnley, Lancashire, an exclusive Benetton franchise situated in a retail precinct, with an exclusive agreement for a geographical area containing 300 000 people. Burnley is also the central town of the Colne Valley, which is disconnected by distance and topography from the surrounding areas; surrounding hills ensure a fairly self-sufficient insular position.

The retail-marketing-mix elements noted by McGoldrick (1994) are merchandise, service, price, quality, fashion, branding, store atmosphere, and location. These are key areas for investigation and formed the basis of the research reported in this paper.

2. RESEARCH BACKGROUND

2.1 Background to Consumer-sales Research within the Benetton Franchise

Product sales for an eighteen-month period were reviewed to assess the performance of branded and non-branded merchandise. One six-month period within the eighteen months was examined in depth and analysed.

Each individual band of sales tags was sorted numerically in ascending order by code. (The total number of vouchers was over 15 000.) A specific six-month period was analysed in depth. The period examined in depth was between May and August, 1992.

It was necessary to divide each individual group of sales tags into an array to allow accurate comparison of data, and the sales tags were thus sorted into numerically ascending order. To evaluate which product code to utilise in sorting the data, consultation was made with the collaborating institution to ascertain the meanings of the codes on each ticket. The response was that the large code at the top-left-hand side of each ticket was product-specific and linked to a stock list that could be cross-referenced with a photograph of the product. It was therefore possible to visualise the various product types by analysing the sales tags, and the data were sorted according to the product code as in Fig. 1.

Benetton's Brand Position Explored and Developed through Nicosia's Consumer-behaviour Model

C. Vignali

Department of Retailing and Marketing, Faculty of Management and Business, Manchester Metropolitan University, Manchester, M60 1QD, UK

Received 18.9.1997 Accepted for publication 8.5.1998

This paper focuses upon the macro-environment of retailing of the selected area for research 'Branding and the Female Consumer – Examined in a Benetton Franchise'. It then examines the micro-environment, the store, which is explained by consumer-buying-behaviour models.

Throughout the body of the paper, the information relates to Benetton and consumer behaviour and is drawn from primary research. The work aims to relate the findings concerning the consumer's perception of the brand to academic theories and the decision-making process associated with consumer-buying-behaviour models. The subsequent analysis of the research findings can be directly applied to the academic models of consumer-buyer behaviour, the results of which have an important implication for the retail services provided.

The chief research questions asked will be based around the elements that are not present in Field 1 of the Nicosia Model and how this model can be extended to take into account the different variables in the retail-marketing mix.

1. INTRODUCTION

1.1 The Franchising Concept

In order to examine the franchising concept, it is necessary to investigate what is meant by the term *franchising* and how this method of doing business came about, the variations that exist, and the advantages and disadvantages to both the franchiser and the franchisee.

Baron *et al.* (1991) define the term 'franchise' as:

'An authorisation granted to one person (the franchisee) to use the franchiser's trade name, trade marks, and business system in return for an initial payment and further regular payments'.

Many variations exist today. Some franchisers sell their product and techniques as a combination, whereas other franchisers supply only the *modus operandi* and ancillary services of the business system. A classic example of the first type is Coca-Cola, which franchises bottlers in nearly every part of the world. The parent company sells its syrup, which is made to a secret formula. It provides franchisees or bottlers with manuals that define (and demand compliance with) the size and shape of bottles, advertising programmes, marketing techniques, and standardised systems of every aspect of the business. A good example of the second, *modus operandi*, type is Swinton Insurance (Sanghavi, 1990).

The combination of one central organisation developing the entire 'package' and leasing it out to the franchisees is so effective that billions of dollars in profit have been generated for companies like Coca-Cola and Benetton, and billions of satisfied customers have been created worldwide (Huszagh *et al.*, 1992).

Those franchisers that supply the *modus operandi* and subsidiary services of the business

Marketing success is linked to the congruence between strategic and tactical level positioning of a company's activities.

The Marketing Mix Redefined and Mapped: Introducing the MIXMAP Model

Claudio Vignali and B.J. Davies

Management Decision, Vol. 32 No. 8, 1994, pp. 11-16
© MCB University Press Limited, 0025-1747

Introduction

In recent years the Department of Retailing and Marketing at the Manchester Metropolitan University has successfully developed and delivered a range of traditional and short courses, based on both the distance learning principle and the traditional university attendance-based system. All these courses have the teaching of the principles of marketing as a foundation stone. The majority of newly developed courses are tailored to meet the needs of practitioners in business, retailing and commerce. Examples of company courses are the BA (Hons) Retail Marketing (Open Learning) developed for J. Sainsbury plc, the Postgraduate Diploma in Retail Management, run in co-operation with Allied Lyons Retailing/Carlsberg Tetley and MFI, the B&Q Certificate in Management and the MA in Retail Management. At the same time a range of short courses were delivered to companies as diverse as Crown Berger UK, Wilkinsons, Ansell's and B&Q.

It is this close co-operation with practitioners from a broad range of companies which alerted the author of this

article to the apparent lack of practical application of the basic marketing tools by the management of these leading companies. Even though there seems to be a basic understanding of the marketing mix and company objectives, practitioners appear to find it difficult to translate the academic frameworks into practical tactics which would help them achieve their objectives.

This article re-investigates the marketing literature, and reviews present methods of the application of marketing concepts to clarify where the stumbling blocks for practitioners lie. The conclusions from this review are used to propose a new framework for the congruent mapping of marketing mix elements and variables at both the strategic and tactical level. The application of the framework to two company cases by leading managers in loosely structured group interviews tentatively explores the face and respondent validity of the framework, and points the way to a more concise operationalization of the variables and elements for future study.

The Marketing Mix – A Historical Review

In the Macmillan *Dictionary of Retailing*, Baron, *et al.*[1] define the retail marketing mix as "those activities that show similarities to the overall process of marketing, requiring the combination of individual elements". This definition closely resembles traditional definitions of the marketing mix given by well known marketers from Levitt[2] to Kotler[3]. Also in this tradition, Czinkota [4] gives the following definition of the marketing mix: "A complex of tangible and intangible elements to distinguish it in the market place".

It was after the Second World War that Cullotin originated the "P" philosophy of marketing, proposing a long list of Ps which typified Profit, Planning, Production etc. and which stood for the key activities of running a business. It was his view that one could differentiate between a "sales orientated" and a "manufacture oriented" company by examining the amount of emphasis given to the different "Ps". Thus, the idea and eventually practice of a marketing orientated company emerged. Macarthy[5] further developed this idea and refined the principle to what is generally known today as the four "Ps":

- Product
- Price
- Promotion
- Place (Distribution).

More recent work by other marketers has increased the number of "Ps" to be included, resulting in a list not too different from Cullotin's original. The service marketing literature[6,7] also extends the marketing mix, broaden-

Dancall Telecom A/S in the UK mobile telephone market

R. Bennett

Assistant Dean of the undergraduates programmes at McGill University, Montreal, Canada

Claudio Vignali

Course leader of the Postgraduate Diploma in Marketing, Manchester Metropolitan University, Manchester, UK

Focuses on Dancall A/S, a Danish telecommunications equipment manufacturer, which was acquired by Amstrad UK in September 1993 for £6.4 million. As an independent subsidiary of Amstrad UK, Dancall is in a position to develop its marketing strategy to a mass UK market. Suggests that heuristic devices could be the way to proceed in its tactical application of the strategic plan.

Introduction

This article is based on a case study which deems to develop academic theory to a practical end, and used as the basis of an academic exercise.

In September 1993, the Danish company Dancall A/S was acquired by Amstrad UK for £6.4 million. This case study establishes the following entry strategy for the company to market mobile cellular telephones in the UK.

Short-term objectives to be achieved within the next 12 months were to:

- produce a digital quality, low cost mobile telephone using a pricing penetration policy where it can be manufactured at the cost of £59, wholesaled at £75 and retailed at £100;
- a target of market first-time buyers who are primarily domestic users. Extensive advertising would consist of billboards, radio and press, to create brand awareness and encourage trial;
- investigate the possibility of concluding a deal with a cellular service provider;
- finalize co-operation agreements with Philips to use its UK distribution network;
- conclude contracts with high-street retailers, such as Tandy.

Long-term objectives to be achieved within the next two to three years would be to:

- complete the research and development of lightweight, rechargeable lithium batteries, and investigate the possibility of supplying them to other manufacturers;
- use Scotland as a manufacturing base in two or three years' time for these batteries and also mobile phone production.

As an independent subsidiary of Amstrad UK, Dancall is in a position to develop a marketing strategy to mass market its newly developed mobile cellular telephone.

Dancall has chosen the UK as its first market for the new product, and this case study suggests a possibly entry strategy through the use of McDonald's marketing plan (see Figure 1) and the use of heuristic management devices

The second part of the case study highlights the mix mapping technique developed at Manchester Metropolitan University and used as a heuristic device by marketers

Marketing audit

External audit

Business and economic environment

Economic conditions are as follows:

- GDP in the UK stands at approximately US\$975.1 billion. The services sector accounts for 62 per cent of GDP, the industrial sector for 37 per cent, and agriculture for 1 per cent. With a market size of over £15 billion, the provision of telecommunications services is the equivalent to about 3 per cent of gross domestic product.
- The growth in demand for telecommunications services, as measured by call volumes, basically reflects economic growth and the importance of good communications.
- Falling real prices and new services underpin above-average growth over the medium/long term. However, the current recession is undoubtedly having an adverse influence on call volumes.
- The easing of monetary conditions, i.e. lower interest and exchange rates, has boosted economic activity.
- Unemployment remains high at around 10 per cent, with inflation at its lowest rate since the 1960s at around 5 per cent.
- The UK is making a slow recovery to break free from this, the longest recession in post-war history. Private consumption accounts for roughly three-quarters of GDP and the behaviour of the consumer is the key to the timing and strength of the recovery.

Political conditions are as follows:

- 1 The Conservative Government is committed to competition policy and, therefore, a liberal free-market economy. Deregulation and privatization are therefore high on the agenda to move towards a truly competitive market structure. This has proven to be conducive to the introduction of mobile communications as penetration rates are much higher in the UK than in Continental Europe.
- 2 The Government's dedication to competition policy in 1991 saw it conclude a review of UK telecommunications policy (the "duopoly review"), which resulted in a number of important changes to the regulatory environment. The main outcome

During the publication of this issue, Professor R. Bennett unexpectedly died on his return to Canada from a lecture visit to the UK. His colleagues and friends will miss the man whom his students identified as an enthusiastic and keen contributor to the marketing discipline – arrivederci dear friend.

The possibility of Boddingtons – “the cream of Manchester’s” – entry into the Dutch market

Genaro Cuomo

Professor of Marketing, La Sapienza Università di Roma, Rome, Italy

Claudio Vignall

Course Leader of the Postgraduate Diploma in Marketing, Manchester Metropolitan University, Manchester, UK

The development of a new European market for a UK company has to be strategically planned. Examines the introduction to the Dutch market of a particular northern UK beer product, suggesting that the use of strategic tools and a traditional marketing plan is essential while the development of heuristic devices could point out the tactical path to follow.

Introduction

This case highlights the practical use of marketing tools to develop a strategic entry to a new European market for a British company. The development of matrix marketing and its association with the planning process is deemed to be effective. In this article we have taken Boddingtons as a theoretical example and examined what could happen.

The beer market in the UK is very competitive. Therefore, it is difficult to increase output or market share. Whitbread plc, as owner of Boddingtons Beer Company, has recently invested heavily in a new canning plant and wants to ensure economies of scale to improve its cost structure. The company also wishes to increase the turnover of barrelled beer as this method offers the highest margins.

The aim of this article is to provide possible solutions to this problem and to offer a market entry strategy into The Netherlands based on McDonald's marketing plan[1]. The Netherlands has been chosen because of its proximity to the UK and its favourable attitude towards beer and British products.

Increasing competition in its domestic markets has led Whitbread plc to consider the possibility of expanding its activities into foreign markets. According to Ansoff[2] there are four possibilities:

- market penetration;
- market development;
- product development;
- diversification.

The penetration of the British beer market is made difficult through the regionalization of the market, which is already in a stage of maturity. This can be seen from the product-life cycle in Figure 1[3].

The company is already diversified and a further diversification could negatively affect the flexibility of the company as a whole[4]. The only alternative seems to be to exploit its competitive advantage that it achieved through its new canning technology and by the development of new markets in order to follow a globalization strategy[5]. Ohmae[6] supposed that only those companies which are internationally oriented will survive in the long term as there will be no national boundaries that could protect the domestic company in the future. This can be proven by the fact that many breweries increased their

exports recently and there are signs of a growing threat for national producers. The aim of each company should be to develop and to dominate new markets[7] in order to attack in advance.

The corporate objective is, first, to follow a globalization strategy. The introduction of one product at the same time in more than one country should be avoided. To develop an effective market entry strategy the focus should be placed on a single country/market. The first country we want to export our product to is Holland. The Netherlands is in close proximity to the UK and the cultural differences are not as great as in southern Europe. In addition, the Dutch are traditionally beer, rather than wine, consumers and there is no major ale brand present on the market. The secondary objective for the marketing department is therefore to develop the ale market in The Netherlands. In addition, the Dutch market offers the opportunity to team up with Heineken, one of the major beer producers in the world which has a market share of up to 50 per cent in The Netherlands. A strategic alliance with Heineken would have two advantages for Whitbread[6]:

- 1 It would offer a chance to internalize Heineken's knowledge in fields such as production techniques, distribution and promotion.
- 2 It would spread the risk of a failure through using Heineken's distribution channel.

This strategy could be useful in the long run as we could participate with Heineken not only in the Dutch market but in all other markets Heineken supply. Hamel *et al.*[7] suggest that collaboration is a form of competition and learning from partners is of paramount importance. They imply that collaboration is competition in a different form and that SMEs especially could use alliances to compete with their partner afterwards.

Internal audit

Whitbread plc is divided into three separate divisions:

- 1 The Whitbread Beer Company is an integrated beer manufacturing, distribution, sales and marketing operation.
- 2 Whitbread Pub Partnerships operate the company's non-managed, partially tied estate of 2,000 public houses.

The authors would like to acknowledge the assistance of J. Bechoff, a graduate of the Fachhochschule Bochum, Germany, and C. Fletton, a graduate of the Manchester Metropolitan University, Manchester, UK.

The MIXMAP-model for international sport sponsorship

Claudio Vignali

The author

Claudio Vignali is in the Department of Retailing and Marketing, The Manchester Metropolitan University, Aytoun Building, Manchester, UK.

Abstract

Posits that this analysis is based on the dependence of international sport sponsorship on the market audit and the individual product class/product form or brand environment. The MIXMAP-model addresses the question of how the marketing mix framework can be used to analyse the competitive standing of a business organization and how the outcomes of this analysis can be translated into practical tactics which capitalize on the organization's strengths. The MIXMAP-model was developed as a guide to make this transition from the strategic to the tactical level. The MIXMAP-model begins by categorizing the product in the product-life-cycle concept and Boston Consulting Group matrix. This position is decisive for the intensity of the different elements (product, price, promotion, place) and their different variables. Discusses how a qualitative survey was used to provide an initial check of the theory and that the survey approach was a questionnaire to 60 multinationals in Germany, England, Italy and France.

Introduction

According to estimates by Sponsorship Research International (Hitchen, 1994) the worldwide sport sponsorship industry has continued to grow in real terms over the last decade from around US\$2 billion in the early 1980s to its current level of over US\$10 billion, almost a five-fold increase.

The international sport sponsorship involvement of multinationals changed their communication-marketing. Whereas in the past the communication mix comprised only of advertising, sales promotion and public relations, international sport sponsorship is an additional element of the marketing mix today. The first steps of the international sport sponsorship pioneers were characterized by "gut feeling" for promoting something with a promising future. There was neither research for international sport sponsorship engagement nor strategic implementation of it.

In the meantime the financial expenditure, for example the cost of international sport sponsorship involvement, pitch perimeter advertising, team sponsorship and event sponsorship, has dramatically increased. We should not forget the fact that theoretical research of strategic implementation is still in its earliest stages. More recently some companies have tried to integrate the element of international sport sponsorship into the marketing mix. This has proved difficult without theoretical models (Hitchen, 1994).

International sport sponsorship as part of the communication process

International sport sponsorship does not usually exist in isolation and the ESCA (European Sponsorship Consultants Association, 1994) indicates that the sponsorship which works best was integrated with other marketing activities such as advertising, sales promotion and public relations programmes. International sport sponsorship can provide a positive platform for media visibility, additional image shifts, sampling, corporate hospitality, sales force incentives and even industrial relations. For a sponsor to achieve success in its chosen sponsorship requires understanding, strategic planning, expert targeting and the application of the dedicated professional skills and services, including creative and technical support.

Introductory cases

Leo Dana

Professor of Marketing, McGill University, Montreal, Canada

Claudio Vignali

Course Leader, Postgraduate Diploma in Marketing Management,
Manchester Metropolitan University, Manchester, UK

Despite showing a sensitivity towards Indian culture that included replacing the Big Mac with the mutton Maharaja Mac, McDonald's fledgling Indian operation faced nation-wide protests. Meanwhile, the Kyrgyz Shampany Joint Company, a monopoly wine producer in the former Soviet Republic, was facing spiralling production costs as local grape harvests failed. It looked to exports to the neighbouring Republic of Kazakhstan to increase turnover but what could it expect from that market? These two case studies illustrate the possible dangers for practitioners seeking new markets. The final section of the article re-investigates the marketing literature and reviews present methods of the application of marketing concepts to clarify where the stumbling blocks lie. The conclusions from this review are used to propose a new framework for the congruent mapping of marketing mix elements and variables at both strategic and tactical level.

McDonald's in India

Introduction

In 1937, Richard and Maurice McDonald opened a tiny drive-in restaurant east of Pasadena, in California. This was the first McDonald's, and from this new, small business, the two brothers developed food-processing and assembly-line techniques.

In 1954, Ray Kroc, a salesman of milkshake mixers at the time, identified an opportunity in this small business; he then negotiated a franchise deal, granting him exclusive rights to franchise McDonald's across the USA. At a time when other franchising companies sold restaurant and ice-cream franchises for up to US\$50,000, Kroc offered entrepreneurs a McDonald's franchise for \$950 plus a service fee of 1.9 per cent of sales; Kroc kept most, but not all, of the service fee, as the McDonald brothers received 0.5 per cent of sales. Preferring a calmer life, in 1961, Richard and Maurice McDonald sold their shares of this business for \$2.7 million.

By the mid 1990s, there were about 10,000 McDonald's restaurants across the USA, and this was the single most advertised brand name in the nation. Annual advertising and promotion expenditures were \$1 billion, and of each three hamburgers prepared in the USA, one was made by McDonald's.

A concern, however, was that domestic growth was on the decline. During the 1970s, the average annual growth rate for the American fast-food industry exceeded 7 per cent. By the 1980s, the annual growth rate of domestic sales had dropped to below 5 per cent, in 1989, for example, McDonald's reported that its sales in the USA grew just 4 per cent. As the American market approached saturation, marketing efforts were shifted toward foreign markets.

By 1997, McDonald's had expanded to about 20,000 restaurants, in over 100 countries. For the sake of comparison, Kentucky Fried Chicken reported to have approximately 10,000 restaurants in about 80 countries. At the headquarters of the McDonald's Corporation, in Oak Brook, Illinois, the head of the international operations, Jim Cantalupo, said, "we see big opportunity in most of the remaining 120-plus countries".

International marketing

McDonald's expanded to Canada in 1967. It soon became the country's fast food industry leader. By the mid 1990s, Canadian operations (the owner of Harvey's and Swiss Chalet) was approaching annual sales of \$1 billion (Canadian); McDonald's Canada surpassed \$1.6 billion in sales during 1994. By 1997, McDonald's Canada operated almost 1,000 restaurants in Canada, and had become involved in McDonald's in Russia.

It was in 1971 that the first McDonald's opened in Japan. The location selected for this new venture was the Ginza, a swinging neighbourhood of Tokyo. Success in Japan led to increased competition. The Japanese candy manufacturer, Lotte, entered the burger business with its Lotteria outlets. Suntory, Japan's largest distiller of whisky, penetrated with First Kitchen. Moriga & Co., Japan's leading caramel business, launched its own fast-food business, Moriga Love. Nevertheless, McDonald's with its first mover advantage, kept its lead in Japan. By 1997, McDonald's had over 1,000 outlets across Japan, and these sold more food in Japan than any other restaurant company.

Despite success in many key markets, McDonald's did encounter difficulties marketing abroad. In October 1991, a poster illustrating the French celebrity Paul Bocuse was displayed in 66 outlets across The Netherlands; the problem was that it showed him with four other French chefs, examining a batch of dressed chickens, while the caption indicated that the chefs were dreaming of Big Macs. This was interpreted as an insult to French haute cuisine. Then, McDonald's aggravated the situation with a letter of apology, in which it was claimed that the internationally reputed chef was not well known in The Netherlands.

In 1997, it was announced that McDonald's would possibly open up to 2,800 restaurants that year, most of these outside the USA. To maximise the probability of success, the product line of McDonald's outlets would, in some cases, be adapted to local tastes.

Adapting product line

McDonald's learned that despite the cost savings inherent in standardisation, success

An entry strategy report for Dairy Crest in Germany

A theoretical application of matrix marketing

Strategy report
for Dairy Crest

3

Claudio Vignali and Demetris Vrontis

Department of Retailing and Marketing, The Manchester Metropolitan University, Manchester, UK, and

Daniella Maria Vignali

Department of Business Management, Croydon College, London, UK

Keywords Dairy industry, Germany, Marketing, Strategy

Abstract This case study investigates the possibility of Dairy Crest dairy products entering the German market. The study gives an insight and analyses the company's internal capabilities as well as its external industrial forces that may influence and direct strategies and tactics. Finally, it presents a suggested possible strategic and tactical marketing approach that could alternatively be used by Dairy Crest in optimising performance when targeting the German market.

Background of the German market

Germany has become the largest country in Europe since the unification in 1990 which brought about 16 million new consumers in the former German Democratic Republic.

1993 saw the sharpest downturn in the German economy since the Second World War. Unemployment increased by about 500,000, the inflation rate went over 4 per cent, GDP and private consumption both became negative.

The major reason for this development was the world-wide recession and the implications of the unification process in 1990. After the heavy rise in the demand figures following 1990, the inflation rate and the money supply increased dramatically.

This was mainly caused by the created purchasing power after the exchange of the former East German currency to the DM at a one-to-one rate. Rising interest rates and a strong DM caused the break-down of the EMS-system and lowered exports. The necessary funds to finance the recovery of the new countries in East Germany were raised by increasing taxes, with its implications on private consumption.

The annual inflation rate fell to 3.4 per cent, although after 1 January 1994 a significant increase in the fuel tax took place. Exports have risen slightly, caused by a weaker DM against the major currencies. The main problem will be the further cuts in interest rates, which could be lowered by a weak DM and the further fall of disposable incomes in Germany. The reasons for this are as follows:



Bass plc

An assessment, evaluation and recommendations for their strategic approach in entering foreign beer markets

Demetris Vrontis

*Graduate Business School, Manchester Metropolitan University,
Manchester, UK*

Claudio Vignali

*Department of Retailing and Marketing,
Manchester Metropolitan University, Manchester UK*

Keywords *International marketing, Competition, Mergers, Marketing strategy, Europe, Brewing industry*

Abstract *Analyses the strategy employed by Bass Plc within the competitive and aggressive beer industry. Focuses on the European beer industry and it is divided into three main parts. Part one identifies what seems to be the current strategy undertaken by Bass Plc. Part two identifies and analyses the context in which Bass operates and part three evaluates the validity of the current strategy in the light of the above analysis. Brief reference will also be made to the international beer market.*

Bass plc – historical background

Bass had been known until 1979 as Bass Charrington and was a product of the brewery mergers which were fashionable in the 1960s. The basic lineage was the United Breweries of Northern England, Tennents in Scotland, Charrington & Co. in the South-East, Bass Ratcliff & Gretton of Burton-on-Trent and Mitchells and Butlers based in the West Midlands.

Bass did not pursue a policy of automatically closing down all its local and smaller regional breweries, although some (such as Atkinsons) had been closed prior to the creation of Bass. It did however rationalise the sourcing of its products to increase throughputs of brands it intended to develop nationally; most noticeably, Carling Black Label. Bass' early policy was to use the Tennents brand in Scotland, Bass as a near-nationally available traditional bitter, Carling as its main lager brand and Worthington as a nationally available keg beer.

Under the chairmanship of Sir Derek Palman, the business concentrated on consolidating its brewing activities together with careful diversification. By 1970 it could claim 25 percent market share and, as a result, had to concentrate on organic growth because of the interest it was attracting from the Monopolies and Mergers Commission. In the early 1970s a large group purpose-built brewery was commissioned at Runcorn in Cheshire. When it opened in 1974, it led to the closure of small breweries in the London area. However in 1978 Bass had forecast that by 1982,

International Entrepreneurship: An Anthology

Edited by: Leo Paul Dana

INTERNATIONALISATION TO RUSSIA: A CASE STUDY

Demetris Vrontis, The Manchester Metropolitan University, UK
Claudio Vignali, The Manchester Metropolitan University, UK

This case study concerns the marketing strategy of a hypothetical company, Vinnie's Pizzeria, investigating the potential in entering the Russian fast food market. After investigating and conducting an environmental audit and highly considering the SWOT analysis, the strategic and tactical levels have been developed. These are necessary as they could be proved highly beneficial in directing Vinnie's on how best to consider, invest and enter the complex, culturally, diverse Russian market.

HISTORY & BACKGROUND

Vinnie's Pizzeria started life in the 1920s in a small village called Rio Saliceto in Reggio Emilia where Mamma Vignali, a talented cook recognised the need for quick and convenient food for the busy workers in the village. Not every one had the time to prepare a meal for lunch or dinner and Mamma's culinary skills were renowned throughout the village, her speciality being pizza. Mamma decided she should get up an eatery to provide for her friends and neighbours.

The business grew strong over the years, providing a warm and friendly service with quick food of a good standard. A family concern, the eatery soon had branches all over Italy. By the mid-1950s, Mamma's Eatery was under the control of her great grandchildren. It was established in the USA and UK and became Vinnie's Pizzeria. The philosophy of the company was the same as in Mamma's day good Italian food at an attractive price.

The popularity of pizza grew day by day and so, Vinnie's sought out controlled expansion, careful to keep to its own philosophies and objectives. Vinnie's although good value for money, consider careful branding to maintain a certain brand image. It did this successfully and expanded principally through franchising.

Today, Vinnie's is an internationally successful brand and is the second largest pizza restaurant chain in the world, Pizza Hut being the first. The chain has over 8,000 restaurants and delivery outlets world-wide and operates in approximately 60 countries.

THE MIX MAP MODEL FOR HÄAGEN DAZS ICE CREAM

CLAUDIO VIGNALI

SENIOR LECTURER, DEPARTMENT OF RETAILING & MARKETING
MANCHESTER METROPOLITAN, UNIVERSITY, UK

DEMETRIS VRONTIS

DOCTORAL PROGRAMME RESEARCHER, LECTURER
THE GRADUATE BUSINESS SCHOOL
DEPARTMENT OF RETAILING & MARKETING
THE MANCHESTER METROPOLITAN UNIVERSITY
MANCHESTER, UK

Abstract

It seeks to examine the application of the MIXMAP theoretical model to practice. The theory, developed by several marketers, such as McDonald, Porter, Vignali and Davies, aims to link both the tactical and strategical elements of a company's marketing procedure and seeks to combine them so that the product is presented to the consumer more efficiently and effectively.

To facilitate the comprehension of this, Häagen Dazs ice cream company in the United Kingdom and their pint size tubs have been chosen.

Häagen Dazs' perceived positioning strategy is identified and a critical analysis is made whether the correct marketing strategy approach is taken in line with the Mix Map model. A consumer questionnaire was then used to identify Häagen Dazs' customers perceived image for the company.

The report then goes on to suggest reasons for these incongruities both within the market place and the company's strategies.

Finally, conclusions and recommendations are made that would enable Häagen Dazs to attain consistency, which mix mapping suggests is necessary to market the product efficiently at the northern area of the UK.

Keywords:

Elements, Häagen Daz, Ice Cream, Matrix, Mix Map, Positioning, Strategies, Tactics, Variables



Department of Management

University of Canterbury

Private Bag 4800
Christchurch New Zealand
Telephone: 03-364 2606
Fax: 03-364 2020

25 September 2002

Dear Dr VIGNALI:

I am writing in reference to your work entitled AN ACTION RESEARCH
APPROACH FOR INTERNATIONALISING SMALL BUSINESSES.

This article has now been double refereed and we are pleased to accept your
contribution. I am pleased to inform you that our reviewers have accepted your
revisions and your revised article has been accepted in the refereed EDWARD
ELGAR HANDBOOK OF RESEARCH ON INTERNATIONAL
ENTREPRENEURSHIP, with a tentative publication date of December 2002. I
cannot provide page numbers until nearer the publication date.

Sincerely,

A handwritten signature in black ink, appearing to be 'Leo Dana'.

Leo DANA, Editor

Author

C.VIGNALI PRINCIPAL LECTURER/
RESEARCH / SECTION LEADER
THE MANCHESTER MET UNIVERSITY

VISITING PROFESSOR
LA SAPIENZA UNIVERSITY OF ROME

VISITING PROFESSOR
UNIVERSITY OF ZAGREB

EMAIL C.VIGNALI@MMU.AC.UK

AN ACTION RESEARCH APPROACH for INTERNATIONALISING SMALL BUSINESS

Keywords

Action research, Internationalisation,
Entrepreneurship, Heuristic devices, Positivism,
Phenomenology, Matrix marketing, Management
process.

ABSTRACT

In the tradition of Reg Revans the guru of Action learning, common sense is always the best approach to any management process. It is vital that management needs to learn during the process, helping themselves from comments made by all stakeholders. A rational decision during this process, with a rational conclusion must be the paramount aim. 'There can be no action without learning and no learning without action. [R.Revans.1998 pg. 14]. Without application all research is artificial.

However, some argue that the process of managerial decision-making, a major aspect of the strategic planning procedure SMEs, has become more problematic because modern management, more than ever before, is faced with an immense complexity of tasks in an increasingly volatile business environment. For many years writers have been suggesting that organisations should focus and rely on the fundamental formal models and techniques of strategic planning.

On the other hand, we must acknowledge the problem that, there has been a lack of agreed academic tools to facilitate practical understanding about the nature of management research.

Heuristic devices, commonly known as management tools are usually misconceived and misunderstood. A clear understanding and their regular use can only benefit the management process. This article develops the methodology used in operationalising heuristic devices as practitioners extend their use of the Marketing mix in developing their strategic process. In this process they always face problems and the answers always cause concern. This article develops a model, which defines the use of the heuristic devices and allows action and review. The qualitative approach in action research was analysed in a series of case studies, which formed the basis of the research materials used in SMEs.



McDonald's: "think global, act local" – the marketing mix

McDonald's:
"think global,
act local"

Claudio Vignali

*Principal Lecturer, Manchester Metropolitan University,
Manchester, UK*

97

Keywords Globalization, Marketing mix, Marketing management, Fast-food industry, Marketing, Franchising

Abstract Focuses on the marketing mix of McDonald's. Highlights how the company combines internationalisation and globalisation elements according to various fast food markets. Using the effect of strategical and tactical models, the case illustrates the effect of McDonald's on the global environment and how they adapt to local communities. Describes future franchise plans for McDonald's.

Introduction

McDonald's background

Two brothers, Richard and Maurice McDonald founded McDonald's in 1937. The brothers developed food processing and assembly line techniques at a tiny drive-in restaurant east of Pasadena, California.

In 1954, Ray Kroc, a milk-shake mixer salesman, saw an opportunity in this market and negotiated a franchise deal giving him exclusive rights to franchise McDonald's in the USA. Mr Kroc offered a McDonald's franchise for \$950 at a time when other franchising companies sold restaurant and ice-cream franchises for up to \$50,000. Mr Kroc also took a service fee of 1.9 per cent of sales for himself plus a royalty of 0.5 per cent of sales went to the McDonald brothers. The McDonald's brothers sold out for \$2.7 million in 1961.

McDonald's first international venture was in Canada, during 1967. Shortly afterwards, George Cohon bought the licence for McDonald's in eastern Canada, opening his first restaurant in 1968. Cohon went on to build a network of 640 restaurants, making McDonald's in Canada more lucrative than any of the other McDonald's outside the USA.

The key to the international success of McDonald's has been the use of franchising. By franchising to local people, the delivery and interpretation of what might be seen as US brand culture are automatically translated by the local people in terms of both product and service.

McDonald's now has over 20,000 restaurants in over 100 countries, and around 80 per cent are franchises.

Globalisation versus internationalisation

Globalisation involves developing marketing strategies as though the world is a single entity, marketing standardised products in the same way everywhere. Globalised organisations employ standardised products, promotional campaigns, prices and distribution channels for all markets. Brand name,

APPENDIX C

“Letters From Contributors”



ENTREPRENEURSHIP DEVELOPMENT CENTRE
NANYANG TECHNOLOGICAL UNIVERSITY

Claudio Vignali
Course Leader
The Manchester Metropolitan University
Aytoun Building
Aytoun Street
Manchester M1 3GH
England

February 1, 2000

Dear Professor Vignali:

Thank you for your contribution to Volume 100, Issue 2 of the *British Food Journal*.

Your contribution was most significant (80%) and appreciated.

Congratulations for your high quality work.

Yours truly,

Leo Paul Dana, BA, MBA, PhD
Associate Director -- Publications

UNIVERSITÀ DEGLI STUDI DI ROMA "LA SAPIENZA"
FACOLTÀ DI ECONOMIA



**Istituto di Economia e Tecnica delle Imprese Industriali, Commerciali e di
Pubblica Utilità**

Roma, 8 Febbraio 2000

This is to state that the article:

Gennaro Cuomo and Claudio Vignali (1996), The possibility of Boddingtons – “ the
cream of Manchester's” entry into the Dutch market, *Management Decision*, Vol. 34,
Iss. 8, Pp. 64-72.

is a 50% contribution by Claudio Vignali and a 50% by me.

Prof. Gennaro Cuomo

A handwritten signature in dark ink, appearing to read 'G. Cuomo', is written over the printed name 'Prof. Gennaro Cuomo'.

GLOUCESTERSHIRE
BUSINESS SCHOOL

Pallas

PO Box 220, The Park Campus
The Park, Cheltenham
Gloucestershire GL50 2QF

Telephone 01242

Fax 01242 543208

08 02 00

TO WHOM IT MAY CONCERN

The marketing mix redefined: introducing the MixMap model.

C. Vignali and B. J. Davies

Management Decision

Vol. 32 Issue 8, 1994, pp. 11-17

ISSN 0025 1747

As co-author with Claudio Vignali of the above journal article, I am happy to confirm that the basic impetus for the paper and the initial characterization of the model came from Vignali. I would assess our relative contributions as three quarters his and one quarter mine.



Prof. Barry J. Davies

Associate Dean, Research and Business Development



Faculty of
Management and Business

**Department of
Retailing and Marketing**

Aytoun Building
Aytoun Street
Manchester M1 3GH

Telephone 0161-247

Facsimile 0161-247 6305

University exchange
0161-247 2000

February 10, 2000

University of Glamorgan
Business School
Pontypridd
Wales

Dear Sir or Madam:

This is to inform you that Claudio Vignali had a contribution of 70% in the following 4 publications. These are:

1. Vignali, C., Vrontis, D. and Vignali, D. M (1999), 'An Entry Strategy Report for Dairy Crest in Germany: A Theoretical Application of Matrix Marketing', British Food Journal, Vol. 101, Number 5/6, pp. 393-408.
2. Vrontis, D., and Vignali, C. (1999), 'Bass Plc. – An Assessment, Evaluation and Recommendations of Their Strategic Approach in Entering Foreign Beer Markets', International Marketing Review, (Globalization vs Internationalization: a Case Study Approach), Vol. 16, No. 4/5, pp. 391-405
3. Vignali C. and Vrontis, D. (2000), 'The Mix Map Model for Haagen Dazs Ice Cream,' Management Case Quarterly, Vol. 3, Iss. 3, pp. 8-25.
4. Vrontis, D., Vignali, C. (1999), 'Internationalisation to Russia: A Case Study', International Entrepreneurship: An Anthology, Nanyang Technological University, Singapore, pp. 140-151.

I have no objection to include the above articles in his Ph.D. by publication.

Yours sincerely

Demetris Vrontis



Claudio Vignali
Course Leader
The Manchester Metropolitan University
Aytoun Building
Aytoun Street
Manchester M1 3GH
England

February 1, 2000

Dear Professor Vignali:

Thank you for your contribution to Volume 100, Issue 2 of the *British Food Journal*.

Your contribution was most significant (80%) and appreciated.

Congratulations for your high quality work.

Yours truly,

A handwritten signature in black ink, appearing to read "Leo Paul Dana".

Leo Paul Dana, BA, MBA, PhD
Director, Business Study Mission
Nanyang Business School
Nanyang Avenue
Singapore



NANYANG
TECHNOLOGICAL
UNIVERSITY

SCHOOL OF ACCOUNTANCY & BUSINESS

APPENDIX D

“Analysis of the Case Studies”

